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LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

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The Nation's Business

Campaign Funds Scandals Can Be Avoided
Publicity Is Cure
Stevens Committee Tests Goodwill of Company
Can They Take It?
World Wheat Pact Is Failure
Why Not Admit It?

Publicity Is Remedy In Campaign Funds

PERIODICALLY the ugly shadow of campaign fund contributions is cast across the public life of Canada. To make a shadow it is necessary to have two things; an object and a source of light. The object, which is our system of financing political campaigns, is always present. But no one seems to pay any attention to it until the light of publicity causes it to throw a shadow. The light is usually soon extinguished and the shadow disappears for a while. But the bulky obstacle itself remains.

There have been scores of campaign fund scandals in Canadian political history. In recent years, the Beauharnois affair has been the worst to be illuminated, and therefore to throw a shadow. What made it such a dark shadow was the fact that the light came from a single concentrated source. When both parties turn their spotlight on campaign fund revelations from different angles the shadow is dimmed. Possibly that is why the Imperial Tobacco campaign funds "scandal" looks as though it might turn out to be just a passing darkness.

* * *

POLITICAL parties have to be financed; elections have to be fought with money. There is no particular reason why any individual or corporation should not support a party whose policies it approves. There is no reason why it should not contribute to two or more parties if it is so inclined. A campaign fund is inseparable from the party system of government; and a campaign fund cannot be had without contributions from some source. There is no simple rule for determining whether or not any particular contribution has a string attached to it.

For an interested or simply a public-spirited individual or corporation to help finance a party is not, then, to be considered as anti-social. Yet these scandals occur from time to time and in between scandals people who have long memories ponder on them and worry about them. Public suspicion remains on edge.

* * *

THERE is a way to keep campaign funds from casting these periodical and disturbing shadows; that is to keep the light shining on them from all directions at all times.

Parliament should legislate for such publicity. Every dollar contributed by anyone to a party chest should be made public in an annual return to be laid on the table of Parliament. If the public knows who is financing the parties it can draw its own conclusions from any particular contribution; in practice, the public will probably decide that any contribution that is openly and publicly made cannot be very dangerous.

* * *

THE only exception to such publicity would be an exception dictated by convenience and economy. Those who join parties as members and pay a nominal annual fee, not exceeding, say, $5, might be regarded for purposes of the act as not contributing to a campaign fund. And that is the best way for parties to be financed, to consist of organized groups of citizens prepared to show their active interest in politics by membership in a political party. That is the way the progressive parties are financed. In fact, the C. C. F. can show the other two parties something about the manner in which election campaigns can be paid for.

Let us have the publicity and an end to these scandals, which never are allowed to develop into scandals when both of the major parties are involved.

* * *

Public Goodwill Put to the Test

CANADIAN corporation executives cannot avoid wondering what the lesson of the Imperial Tobacco episode is. Possibly a few of them are saying, "There, but for the Grace of God, stand I." They must be asking themselves if their affairs could stand the pitiless inquisition of a parliamentary committee whose hands are not tied in its fact-searching, whose chairman and counsel seem at times to be as much interested in headlines as in facts.

(Continued on page 2, col. 3)

WHEAT CROP PROSPECTS FAIRLY GOOD

Damage Done by Drifting and Drought Exaggerated

ACREAGE REDUCED

Reductions Took Place Chiefly in Poor Soil So Yield Will Not be Cut in Proportion

From Our Own Correspondent

WINNIPEG.—Although a big wheat crop in Western Canada appears to be entirely outside of expectations, it must not be supposed that anything has yet occurred to impair the possibility of a reasonably good total yield.

Traditionally it is upon the June rains that the welfare of the western crop largely depends, and that is likely to be the case in this as well as in former years.

Reports Exaggerated

The outlook for the whole west is not as unfavorable as reports of the great extent of soil drifting might seem to indicate. Alberta, Northern Saskatchewan and a considerable part of Manitoba are in reasonably good shape so far as soil moisture conditions are concerned, and favorable conditions during the growing season may result in very good crops.

While there is more moisture in the soil in the drought-stricken district of southern Saskatchewan than in previous years the improvement is insufficient to justify any great expectations and unusually favorable summer weather would be required to produce even fairly good yields. The grasshopper menace is an incalculable quantity. Wet weather that would tend to produce fair crops would hold the grasshoppers in check, but a hot dry season would expose the resultant small crop to a large measure of destruction.

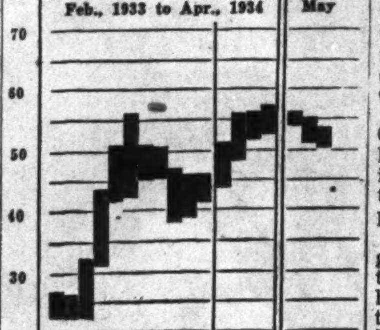
Acreage Sown

The Dominion Government finds that the reduction in Canada's seeded wheat acreage this year will amount to 2,100,000 acres, while the Sanford Evans Statistical Service makes the reduction 2,500,000 acres. Both estimates are somewhat below what earlier seemed probable, accounted for by the fact that the seeding season in many districts was comparatively early and uninterrupted,

A great part of the reduction is recorded for the districts in Southern Saskatchewan which have suffered from drought in recent years. Some abandonment of farms in the districts worst hit is reflected in the figures, and also to some extent a waiting policy on the part of some farmers until conditions definitely improve with respect to moisture. Then there is a tendency to keep from seeding on last year's stubble and to confine wheat seeding to summer-fallowed lands. So far as crop results are concerned it must be remembered that on the whole the land left unseeded would be least likely to give satisfactory returns, so a proportionate reduction in actual harvest is not to be anticipated.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of May 15	53.5	50.6
Week of May 8	55.0	51.7
Month of May, 1933	44.0	31.5
10 Public Utilities		
Week of May 15	53	51
Week of May 8	54	52
Month of May, 1933	50	43
8 Bank Stocks		
Week of May 15	186	183
Week of May 8	187	183
Month of May, 1934	168	147

King Edward Reorganization Suffers Delay

Announcement of proposed plans of reorganization for King Edward Hotel Co. will be delayed while final negotiations are in progress, The Financial Post is informed.

This delay, however, does not alter the general situation as described exclusively in The Financial Post two weeks ago. The Metropolitan Life Insurance Co., holder of a first mortgage on the hotel for $2,150,000, will make important concessions for the benefit of holders of junior securities of the hotel, it is understood.

LOAN COUNCIL FOR DOMINION MAY DEVELOP

Central Bank Approval May be Requisite for Loans

From Our Own Correspondent

OTTAWA.—Serious thought is being given at Ottawa to the advisability of setting up a National Loan Council to pass upon all new governmental issues before they are offered to the public.

Owing to constitutional difficulties such a council could not be created this year, but the Bennett Government will endeavor to make a start on the problem of supervising governmental borrowings through the agency of the Central Bank, which will be organized this fall.

The problem has been brought to the fore by the breakdown in the Ottawa-British Columbia financial negotiations. These negotiations, it is contended, proved the need of some body with power to exercise general supervision and free from any suspicion of political interest.

Constitutional Problem

The prime difficulty in working out a national policy in this regard arises out of the constitution. The provinces in their own field have equal status with the Dominion. Ottawa cannot dictate to the provincial legislatures.

Thus, a province can accept or reject financial terms offered by Ottawa. A province can try to sell bonds whenever and wherever it pleases, at whatever interest rates seem good to it. Or a province can default if it so chooses and there is no power in the Dominion Parliament to restrain a legislature in this respect.

Since 1931, the relations between the Dominion government and the provinces have been very close. Ottawa has loaned the western provinces upward of $50,000,000 to maintain their solvency. Every loan has been scrutinized in an effort to discover political favoritism, and the totals to the different provinces, if examined in a casual way, would certainly justify such a scrutiny. Saskatchewan has been loaned almost as much money as the other three provinces put together. There have been special reasons why large loans were required by Saskatchewan, but undoubtedly these reasons will not prevent the generosity of Ottawa from becoming a political issue in the next Federal election.

Weaknesses in Lending

While the policy of loans to the provinces had to be improvised to meet an immediate emergency and while the policy has met that emergency up till a few days ago (when British Columbia refused Ottawa's terms) it has become evident to the government that there are inherent weaknesses in one political organization loaning money to another.

But to create a National Loan Council in Canada would require the legislative co-operation of the provinces. They would have to submit themselves to it; could not be compelled to do so.

In the meantime, the Bennett government will tackle the problem through the Central Bank. The new bank will be the financial agent of the Dominion government and, it is hoped, of the provincial governments as well. After the bank has been organized it is the intention of Ottawa to deal with the provinces through the governor and directors of the bank and to terminate all direct negotiations. No application for a loan will be considered unless it is recommended by the bank.

In course of time the Central Bank will probably achieve the purpose of a loan council. The investing public will learn to look for the endorsation of the bank

Dominion May Seek Loan in London Market at 3½%

From Our Own Correspondent

OTTAWA.—Will the government seek to enlarge Canada's borrowing from the British market this year?

It is learned officially at the finance department that the financial programme of the government for the current year is now being worked out and that the prospects are very much in favor of a large Canadian loan being offered at London.

There is a small maturity in Britain which the government must face in the next few months—about $20,000,000. But in addition to refunding this loan it is probable that the government will seek to refund other loans maturing in Canada and in the United States. The extent of the British capital that will be sought is not yet decided, but there is talk of a loan running to $100,000,000.

Lower Interest Rates

The government inclines to the view that it would be wise to leave Canadian money untouched to as great an extent as possible. In this way, it is believed, recovery will be aided and the cabinet's desires for a general lowering of interest rates materially furthered. Moreover, the 1933 Canadian loan at London is now rating at about 3⅛ per cent and if $100,000,000 could be obtained on this basis the interest charges now being paid by the Dominion would be considerably reduced.

ABITIBI POWER EARNINGS GAIN IN LATE MONTHS

Report of Receiver Includes Period of Cut-price Competition

EXPENSES DROP

Royal Bank Huge Loan is Greatly Reduced—Power Contracts Modified for Company

Statement of operations of Abitibi Power & Paper Co. from the time the receiver-manager, G. T. Clarkson, took charge on September 10, 1932, to the end of 1933 shows net profits available for depreciation and bond interest of $1,036,562. This was earned on gross sales of $10,847,177 and includes premium received because of payment in United States money of $649,588. This compares with net operating revenue for 1932, the last full year available, of $1,055,823 (including exchange premium of $808,350) and not including in 1932 figures profits of $554,344 on bond purchases for sinking fund or $100,000 received in Provincial Paper dividends on common stock entirely held by Abitibi Power & Paper Co.

New Deal to Rescue

When the receiver-manager took charge Abitibi Power & Paper Co. was without cash resources of importance and had preferred liabilities of $981,000. The inventories were largely of a non-readily realizable character and nominal price of newsprint of $53 a ton delivered dropped by the middle of September, 1932, to $47.50 and a little later to $46 inland and $45 at ocean and lake ports. In the early part of 1933 the price was $41 and $40 per ton with lower secret rates obtaining even as low as $35 a ton and this drastic price-cutting continued until after mid-summer, 1933. Then the operation of the U. S. National Industrial Recovery Act brought stabilization at $40 at ocean and lake ports and $41 at inland points.

Paid Preferred Debts

In face of that situation for nearly a year of the period under review the company earned $1,036,562 before depreciation or bond interest, it paid off the preferred liabilities of $981,000 referred to, and at the end of 1933 current and trading assets amounted to $3,336,133 if one includes the G. H. Mead Co. stock at purchase price, ($750,000) which was $412,387 above current liabilities, an improvement of $464,370.

There was during these 15 months a reduction in secured liabilities and those ranking in priority to bond holders of $1,253,073. On Sept. 10, 1932, the company was indebted $4,261,038 to the Royal Bank for advances made prior to receivership, which were secured upon assets of the company and the Bank claimed to hold as security for the payment of such advances liens upon assets amounting to $5,646,032 (including 100,000 common shares Provincial Paper taken arbitrarily at $1,500,000). Certain inventories of coal and sulphur valued at $164,184 were released as not being pledged but that still left nominal value of pledged assets at $5,481,848 and the company had a nominal equity in this after the bank of $1,220,810.

By the end of 1933 the amount remaining payable to the bank was $1,297,138, and pledged securities, including Provincial Paper common, amounted to $2,556,732, leaving a nominal equity of $1,259,594 after paying interest of $138,388. This raises the interesting supposition that the better business of 1934 may have eliminated the bank debt and brought back Provincial Paper common shares to Abitibi treasury.

STATEMENT OF OPERATIONS
From Sept. 10, 1932 to Dec. 31, 1933

	$
Income:	
Sales of newsprint	10,189,193
Sales of power	657,984
	10,847,177
Less: Operating costs, etc.	9,205,048
	1,642,129
Add: U.S. exchange received	649,587
Int. and discount earned	73,145
Gross income	2,364,861
Deduct:	
Int. on receiver's certificates	84,389
Minor losses	474
Costs of receiver's first report	3,211
Expenses of Beatty committee	30,249
Int. on contract covering shs. of Thunder Bay Paper Co.	215,754
Costs of carry'g idle mills, etc.	882,789
Legal & accounting expenses	48,110
Receiver's remuneration, etc.	63,324
Net Income*	1,036,562

*Before depreciation and bond interest.

WORKING CAPITAL STATEMENT

	Dec. 31 1933 $	Sept. 10 1932 $
Current Assets:		
Cash on hand & dep.	24,811	53,369
Accounts receivable	1,100,616	......
Inventories	1,379,921	630,669
Fire losses collectible	......	8,148
Invest. in bonds	39,300	40,000
	2,544,648	732,186
Current Liabilities:		
Wages accru. & pay.	46,567	76,152
Res. for conting.	95,983	......
Accounts payable	331,535	......
Pay. for bnkr's secs.	231,466	......
Pay. in priority to bondholders	......	905,301
Receiver's certif.	2,218,195	......
	2,923,746	981,453
Working capital def.*	379,098	249,267
Ratio	0.87—1	0.74—1

*Would be surplus if one included $750,000 paid by receiver for shares of G. H. Mead Co. as a current asset.

Taken in conjunction with current reports of increasing output for newsprint companies in Canada and the United States, this report and

(Continued on page 5)

PUTTING TEETH IN THE BANK ACT

—Drawn for The Financial Post by R. Kaell.

Three Big Groups Merge Final Offer For Price Control

Disputants Bury the Hatchet in Big Deal

TERMS THIS WEEK

Bondholders Fully Protected—Meet Creditors' Claim—Common to Receive Third Equity

From Our Own Correspondent

MONTREAL.—Eric Bowater, the Canadian-born Lord Beaverbrook, Lord Rothermere and R. E. Powell, the latter representing the Duke-Price Power Co., have settled their differences and this week an announcement will be made covering the final offer to the bondholders, creditors and stockholders of Price Bros. and Co., the now bankrupt but potentially rich lumber and pulp and paper making enterprise in the Saguenay area.

All the formalities, legal and otherwise, have been completed and the offer over the signature of Bowater Paper Mills Ltd., Duke-Price Power Co., London Daily Express Co., and the Anglo-Newfoundland Development Co. will closely correspond to that outlined in The Financial Post on April 28.

Protect Bondholders

The holders of $11,061,600 of 6 per cent first mortgage bonds will have their rights respected in full, while the two years of interest arrears will be paid in cash. They will be asked to agree to certain moderate modifications of the trust deed in respect to sinking fund payments, otherwise their position is unimpaired.

$5,000,000 New Money

The necessary working capital will be provided by putting $5,000,000 of new money into the treasury. This new capital will be secured by a general mortgage bond, probably bearing interest at 7 per cent per annum. The interest will be cumulative and a fixed charge upon earn-

(Continued on page 2, col. 4)

Newsprint Mills Near Peak Level In Past Month

Newsprint production in April increased slightly over the previous month and came within 4 per cent of the highest figures ever recorded for the month, exceeded only by April, 1929 and 1930.

Sugar factories began manufacturing again in earnest following hand-to-mouth operations in the latter part of March and the beginning of April awaiting budget announcement of a change in the sugar tax.

Monthly	Apr. '34	Change From Prev. Period %	Change From Prev. Year %
Retail prices index	7.96	— 0.8	+ 2.2
Newsprint output, tons	216,507	+ 3.1	+40.9
Sugar mfg.* lbs.	43,305,372	+102.7	— 6.9
Weekly†			
Car loadings, No.	43,453	+ 0.7	+16.1
Cattle sales, No.	10,686	— 7.1	— 5.0
Hog sales, No.	18,176	— 23.1	—22.0

* Four weeks ended April 21.
† Weeks ended May 5, 10 and 10 respectively.

D. S. McMaster to Head Montreal Stock Exchange

From Our Own Correspondent

MONTREAL.—D. S. McMaster has been nominated for the position of chairman of the Montreal Stock Exchange for 1934-36. As nomination is equivalent to election, Mr. McMaster will head the Exchange for the next twelve months. Other nominations follow: Vice-chairman, F. S. Mathewson; secretary-treasurer, Grant Johnson, and the following governors, H. J. Child, J. R. Donaldson, Maurice Forget, J. D. Herdt, H. C. MacDougall and C. N. McCuaig.

Trustees for the gratuity fund were nominated as follows: J. L. G. Beaubien, for the period of one year; and G. W. S. Henderson, for the term of three years.

Killam and Hearst Bid On Price Bros. Property

From Our Own Correspondent

MONTREAL.—Royal Securities Corp. and the Hearst Corp. have combined to make a last minute bid of $12,000,000 for the Riverbend property of Price Bros. & Co.

Heading the investment banking house is I. W. Killam, who promoted and controls the Mersey Paper Co. and is owner of the Toronto Mail and Empire. The Hearst group, long the stormy petrel in the newsprint field and whose papers in the Eastern United States buy nearly 300,000 tons of newsprint annually.

The offer made by the Killam-Hearst syndicate provides for the setting up of a Canadian company to be known as the Quebec Newsprint Co., which will pay $12,000,000 for the Riverbend newsprint mill and 2,500 square miles of timber limits, together with the supplementary equipment to make a complete newsprint manufacturing unit.

The Hearst Corp. has agreed to give the Quebec Newsprint Co. a large block of business. The new company would also take over the Duke-Price Power Co. contract and in order to have sufficient business to provide the necessary revenue to take care of payments under this contract, the Quebec Newsprint Co. proposes that Price Bros. & Co. shall allocate to it 40,000 tons of newsprint annually over the next two years. Later on this would be repaid.

The plan also provides that favorable arrangements would be entered into whereby the new company secures its supply of pulpwood from Price Bros. & Co. until such time as it has completed its own woods department. In return the Quebec Newsprint Co. would assume many of the obligations of Price Bros. & Co. and would pay the $12,000,000 in 20 semi-annual installments of $600,000 each.

It is understood that the offer sponsored by Killam and Hearst has come too late for serious consideration, inasmuch as the plan of Bowaters Paper Mills and associated interests has received final approval of the majority of the interested parties.

Highlights of the week

Mystery Man

Facts about Walter Stewart, Macdonald Tobacco puzzle, reveal why he is least known, yet overnight has become one of the most talked about, of Canada's commercial giants. An exclusive Post feature. Page 11

Stanley Bruce

Why the former Australian premier, now high commissioner at London, is coming to Canada. New light on the viewpoint of the Dominions on Empire trade and on British protectionism. Page 11

Canada's Future

Does economic nationalism mean prolonged depression for the Dominion? Canadian economists examine the outlook, and suggest remedies. Page 3

Financing Mines

Financing listed mines by stock options may be the Dr. Jekyll or Mr. Hyde of Canadian mining. How it works, and what it means to the investor. Page 19

Investment Trusts

Some comparisons of British with Canadian trusts show how experience has differed. Dividends and reserves, and conditions under which Canadian trusts operate. Page 9

Exchange Fund

How the $2,000,000,000 U. S. currency equalization fund may affect Canada, and what its two purposes are. Told by Dr. Gaines T. Cartinhour of New York University. Page 6

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Dru'mond Realty	15	Rowntree	16
Dodge Mfg.	14	So. Can. Pr.	5
Dom. Woollens	4	Supersilk	15
Ford	5	St. Cath. Imp.	15
Gr. Windsor Dev.	7	Thrift Stores	4
G. H. & C. Trust	4	Thayers	4
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N.R.A. IS TARGET MANY CRITICS AS TRADE FALLS

Business Men Blame Restrictions for Slump

HIGH PRICES CURB

Construction Held Up by Increased Costs of Materials and Labor

From Our Own Correspondent

WASHINGTON—Much of the current pessimism among business men can be traced to uncertainty regarding the future of the National Industry Recovery Act. Dissatisfaction with the codes is coming out into the open. In some industries, open violation of code provisions is reported. The futility of attempting to police hundreds of codes covering thousands of industries, large and small, is being recognized. There will be a retreat from many of the codes; those covering small industries will likely be abandoned; others will be considerably modified. Today enforcement is nominal. And emphasis, formerly on restriction of production, is shifting to speeding up activity, even at the expense of price cuts. The impending abandonment of some of the smaller codes is labelled the first bugle call for the retreat from Moscow. When only the big industrial codes are left, cartels on the European plan will be indicated.

Some of the features of the codes will be retained without serious modification. There will be, for instance, no going back to child labor nor to sweat-shop working conditions, if business and government can join to avoid it.

Like Co-operation

Likewise, the Sherman Act, forbidding trusts in restraint of trade, will not be restored at any early date. It is recognized that a large part of the so-called unethical competition,—sharp practices and fierce struggling for business—resulted from legislation which kept business men too far apart. Now they can confer, not only on methods but on prices and the majority of business men like it. In a few cases prices have been raised unduly by combination but these are exceptions.

N.R.A. has operated to raise prices less through price agreements than through shortening of hours and upping of wages. Here the effect has been unfavorable because it has upset the A.A.A., the farm recovery measure. It had no sooner begun to raise farm prices and thus to increase farm purchasing power than shorter hours and higher wages under N.R.A. destroyed that extra purchasing power by increasing the prices of goods the farmers buy. The other day, Alfred P. Sloan, general motors chief, remarked in Boston that he thought shorter hours would prove detrimental to the business situation because they would increase costs and destroy purchasing power. Many business men agree. Shorter hours, they claim, increase costs and thus destroy purchasing power and throw more men out of employment than they put back to work.

Automobile Trade Slackens

One industry that has been badly hit by higher prices is the automobile industry. It was forced by higher costs to increase prices just as it was reaching the peak of the spring demand. The increase served to bring the automobile sales boom to a sudden termination. Production is said now to exceed new orders. A few weeks ago the reverse was true.

One hopeful feature of the situation is that President Roosevelt has lately been showing signs of consolidating his programme, and of initiating no new experiments of a major nature. The main lines of the programme have been laid down; there is little to do now but to modify the programme from time to time in the interests of reality.

Ample Inflation Now

This is particularly true of inflation. Governor Black of the Federal Reserve Board stated at the recent U. S. Chamber of Commerce dinner that credit technically could be expanded up to the enormous total of 105 billion dollars; and all this within the limits of governmental monetary operations already under way. Thus there is no need for new inflationary measures; simply for efforts to make inflation take. It is realized that there is no sense in pouring in potential inflation which is not used. The thing to do now is to use the inflation the country already has.

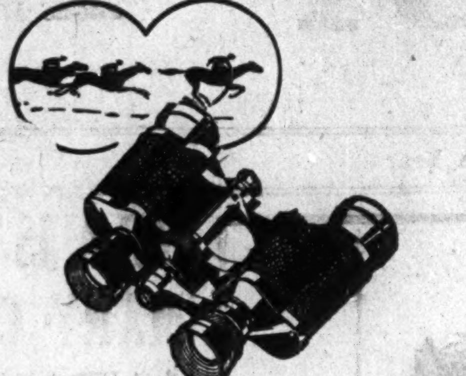
But making inflation take remains a real problem. There are indications that both industry and labor are on strike. And it is obvious from the prices on the New York Stock Exchange that finance also is on strike, waiting for a "go ahead" signal in the form of radically modified governmental control measures.

The whole housing programme and construction work everywhere is held up by outrageously high costs. Prices asked for both materials and labor are high. The government has encouraged high prices and now finds that those high prices are impeding recovery and re-employment.

Criticism of the recovery programme is becoming more vocal.

(Continued on page 2, col. 6)

Off to the Races?



You'll Want

BINOCULARS

How they multiply the interest! . . . Horses running neck and neck, crowding at the turn, racing down the home stretch! You don't miss a move all around the track when you have a good pair of binoculars. Finely made binoculars with 8-power magnification. In leather carrying case. Price $30.00. . . . Others at $18.00.

FIELD GLASSES

For races, ocean trips, mountain scenery, etc., Glasses with very clear definition, in leather carrying case. Prices $9.00, $16.00 and $18.00.

TINTED SPECTACLES

Designed in latest shape, to protect eyes completely from too brilliant sunshine. Price 35c to $1.50.

Also "Slip-on" tinted glasses to attach to your own glasses. Pair $1.00.

OPTICAL DEPARTMENT, THIRD FLOOR, YONGE STREET

THE T. EATON Co LIMITED

The Nation's Business

(Continued from page 1)

To discuss the actual facts of the evidence in the tobacco investigation at this stage and to prejudge the "accused" would be grossly unfair, since all the evidence is not in. And certainly it is only the more sensational parts of it that have received publicity in the press. Gray Miller, president of Imperial Tobacco, was cross-examined for hours before he was permitted to file his prepared brief; it was then put into the records without comment and practically without publicity.

* * *

THE episode raises the question whether any company can afford to occupy a semi-monopolistic position; whether it is not better for a big company itself—forgetting for the moment the public—to have keen and vigorous competition both in its buying and its selling.

It raises the question whether any very large company doing a nation-wide business should not arm itself with a long list of Canadian shareholders who will keep it posted on the trend of public opinion, safeguard it from mistakes and provide a backlog of public favor to be drawn on when it is needed and is justified.

It raises the question whether any company should be put in a key position, in contact with the Canadian people, men who do not know Canada and Canadians.

* * *

THE Canadian people are, on the whole, very fair in their attitude to business, big and small. There are times when politicians are able to arouse them to a fury of resentment by sheer misrepresentation, but never for long. If a company plays the game fairly and does the square thing by the public, by those from whom it buys and by those to whom it sells, if it follows this up by frankness and fullness in its publicity and its statements to the public, it can stand a lot of investigation, whether the investigation is good-natured or malicious.

One parliamentary probe ruined Beauharnois because Beauharnois had made fundamental errors. But a dozen parliamentary and other investigations of our banks have not ruined them because our bankers have been fundamentally decent. They have, it is true, been shy about telling their story, but they are now learning the necessity for that.

Imperial Tobacco, the chain stores, the big department stores and other business enterprises may learn a few lessons from the Stevens probe. And other concerns, who are escaping this investigation, may profit from the lessons as well.

The public must be given a square deal at all times. There must be honesty and there must be frankness. Where either is missing, goodwill, no matter at what value it is figured in the balance sheet, is not worth much.

And even firms that are above suspicion, against whom even the Stevens committee fails to make a case, may learn that goodwill is not to be taken for granted. Along with square dealing and frankness must go adequate publicity.

World Wheat Pact Best as a Failure

IT IS to be regarded as fortunate that the London meeting of the international wheat committee had to acknowledge failure of the attempt initiated at Rome to bring about a managed rise in world wheat prices. Such an attempt was bound to fail, and it was better to have it abandoned before actual trial had enabled further damage to be done to international wheat trade. A very real danger to Canada was that resentment of such measures on the part of Great Britain and in other countries might lead to deliberate attempts to make use of wheat other than Canadian, something that we have seen happen in the past to the detriment of this country.

The proponents of the scheme may retire gracefully, without having to admit any lack of knowledge on their part either of the international wheat trade or of fundamental economics. They may still believe, if they wish, that in a perfect world such a plan would work, or that attempts to work it would in themselves tend to bring about the perfect world. From their point of view, the difficulty is that machinery is lacking and cannot be created for working the plan. It is the political factor which is in their way, not unlike the constitutional difficulty which gets in the way of some well-meant schemes in Canada.

* * *

GOVERNMENTS may make agreements, and may carry them out, so far as lies within governmental power. But governments cannot be compelled, by any international body which they may set up, to compel their people to do things which the people do not want to do. Sufficient sanctions, to use the legal term, are lacking. The ineffectiveness of the London wheat agreement has already been amply demonstrated. The face-saving expedient of revising the Argentine's quota may be gone through with to disguise the fact that the agreement is not powerful enough to compel that country to cut off her wheat exports when she has wheat to sell and there are markets which will take it. Canada may solemnly report that western farmers have cut down their wheat acreage this year, and the United States that only a small wheat crop will be raised there this year. One event has exactly as much to do with the London wheat agreement as the other.

* * *

THE Rome meeting and the subsequent one in London represented attempts to carry to its logical conclusion the idea of price increase by withholding market supplies. They probably represented an attempt that had to be made. Now that it is over perhaps the way is cleared for some more intelligent discussion and consideration of the wheat problem in Canada, and for the formulation of a Canadian wheat policy.

The basis of such a policy should be efforts to sell wheat, rather than to enhance prices by not selling wheat.

Footnotes to Ottawa

An Occasional Department of Comment on the Background of Governmental Activities in the Nation's Capital

From Our Own Correspondent

No Airmail This Year

PROLONGED delay on the part of the government in reaching a decision with respect to the transcontinental airmail service has definitely eliminated possibilities of a start being made this year. The report of government officials, placed before the cabinet last January, looked to the revival of the Prairie airmail service this autumn with the British Columbia link to be added early in 1935 and the eastern link later in the year or in 1936. But even if the government were now to approve the report and commit the country to the airmail service, a beginning would be impossible before 1935.

The programme, it is now reported, will be to launch the service from Winnipeg to the coast on July 1, 1935, and the eastern link one year later. As the report calls for very fast planes, with cruising speed in excess of 200 miles per hour, passengers will not be carried for the first year or two—until the safety of the route has been proved.

* * *

Nickel Price Differencce

QUESTIONS are appearing on the Commons' order paper regarding a peculiar development with respect to nickel. Until last March the Bureau of Statistics used to report, monthly, the volume and value of nickel exports. About that time, somebody noticed that the value, or price, charged for nickel exported to the United States was only half of the value, or price, charged on exports to foreign countries. The prices were 25 cents per pound to the United States and 50 cents per pound to foreign countries.

Last March the Bureau of Statistics report failed to include the volume of the exports. The following question now appears upon the order paper:

"What are the figures of the volume of export of nickel for March, 1934? Why are these omitted from the monthly returns of the Dominion Bureau of Statistics for March?"

* * *

Conservatives Organize

THERE is evidence of increased activity at Ottawa on the part of the Conservative party in the matter of a national organization. The Parliamentary wing of the party is endeavoring to revive the national organization which functioned so successfully in 1930 under General A. D. MacRae. It is understood, of course, that Senator MacRae has definitely declined to return to his post and the present trend of opinion is in the direction of Dr. Harry Hodgson, formerly of Winnipeg and now a resident of Montreal. It is probable Dr. Hodgson will get a Senatorship and will then be drafted for the job of chief party organizer.

* * *

Sugar Beet Pact With U.S.A.

THE Dominion government last week aided one group of producers in Canada in overcoming hardships caused by the N.R.A. In recent years a beet sugar industry has grown up in Manitoba, based upon a refinery in North Dakota. Under the N.R.A., high tariffs were placed against imports of sugar beets and the continuance of the industry in Manitoba was threatened. A scheme was worked out by the government whereby the United States waives all duties and the sugar manufactured from Manitoba grown beets is shipped back to Canada duty free.

* * *

Prepare Tariff Board Report

THE Tariff Board is reported to be completing several reports in order that Hon. E. N. Rhodes, minister of finance, may be able to make the indicated changes in tariff at the present session. One of the reports to be thus acted upon is the reference to the board on the preferential tariff on British woollens. It is learned that the report will not cover all of the woollen schedules and that the change in duties, while beneficial to the British producers will not severely injure Canadian mills. Presumably foreign producers will be hardest hit.

THREE BIG GROUPS MERGE FINAL OFFER FOR PRICE CONTROL

(Continued from page 1)

ings but non-payment will not constitute a default for a period of five years.

The unsecured creditors will be paid off in full with certificates of indebtedness bearing interest at 5 per cent per annum.

The bondholders' protective committee have agreed to accept this latest proposal to bring all the interested parties together. For two years the bondholders have been without interest payments and at different times plans to put the company back on its feet have been blocked. It is said that if this final offer is not accepted by the majority of the interested groups then steps will be taken to put the property up for auction.

The new capital in the form of general mortgage bonds will be underwritten by the group making the proposal.

Several of the largest unsecured creditors, including Duke-Price Power Co., are agreeable to this latest plan and no difficulty is anticipated in securing approval of 75 per cent on the unsecured creditors' claims.

Parity for Preferred

Holders of $6,284,300 of 6½ per cent cumulated preferred shares will be given a new 5 per cent preferred share par for par. There will be certain cumulative features of dividend under the new plan, though the obligation thus created will not be as burdensome as under the old set-up.

Holders of $42,683,200 of common stock, of the par value of $100 for each share, will receive one-third of the equity in the new company. In other words, they will receive one new share of no par value common stock in the new company for each three shares of the old company.

Both the preferred and common shareholders will be given the right to subscribe to the new general mortgage bonds, which will carry a bonus of common stock. In the event that the shareholders do not subscribe to the new bonds, two-thirds of the outstanding common stock will go to the underwriters in return for putting up the $5,000,000 of new capital.

As already mentioned, 75 per cent of the bondholders and unsecured creditors are favorable to the final combined offer. It is expected that the preferred shareholders will give their approval, while the common shareholders, in view of the new set-up of the underwriting group, will most likely vote in favor of the plan.

Long-Drawn Negotiations

For more than a year numerous attempts have been made to effect a plan for stabilizing the affairs of Price Bros. and Co. At first Bowater Paper Mills and the Duke-Price Power Co. were in opposition. Last summer the bondholders' protective committee voted to accept Bowaters' plan. The trustee turned down the offer of Bowaters saying that he expected a new and more favorable plan for the creditors.

Bidding For Property

Duke-Price Power Co., Lord Rothermere and Lord Beaverbrook then joined forces in making an offer, which was more generous to the unsecured creditors and the stockholders. This caused Bowaters to revise the terms of their offer. Finally, the matter was put to a vote and the common shareholders and unsecured creditors favored the Duke-Price-Beaverbrook-Rothermere plan.

The preferred shareholders favored Bowaters' offer.

The offer made to the unsecured creditors by Bowaters had been withdrawn before the meeting.

The bondholders favored Bowaters' plan all through the dispute.

Reached a Stalemate

As a result of the meeting of the unsecured creditors and stockholders, matters had reached a stalemate. Without approval of all parties it was impossible for Bowaters to carry through the reorganization with the bondholders without going to the courts and putting the property up for auction.

Steps were taken by the Bowaters group to cover such an eventuality. Had the auction taken place it is probable that the bidding on the property would not have left anything over for the unsecured creditors, preferred or common stockholders.

Bring Parties Together

Overtures were made to bring the English peers, who were primarily interested in a source of supply of newsprint and pulpwood, the Duke-Price Power Co., interested in protecting its power contract, and Bowaters together. While no details are available as to what concessions had to be made by the different groups in order to reach unanimity of opinion on future action, success is seen in the fact that the four interests have joined forces to make the last and final offer for control of Price Bros. and Co.

N. R. A. IS TARGET MANY CRITICS AS TRADE FALLS

(Continued from page 1)

Silas H. Strawn was particularly critical of governmental policies in a recent address here. As a former head of the U.S. Chamber of Commerce his views count. The current president, H. I. Harriman was more conciliatory but still critical.

Increasingly the newspapers of the country are speaking out in protest against the shackling of private business enterprise by the most extreme features of N.R.A., by the Securities Act, the Stock Exchange control legislation, etc. The potent mid-west St. Louis Globe Democrat remarked this week: If honest business can be let alone and given the stimulus of such assurance, it will generate its own recovery, with all the beneficent results we have above suggested."

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THE ROYAL BANK OF CANADA

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The thousands of policyholders of the Canada Life—people in all walks of life—have a big stake in Canada. Millions of dollars of their funds, invested by this Company during the past 87 years, have contributed substantially to the upbuilding of the Dominion.

Canada Life policyholders rely on the Company to safeguard these funds for them — funds which are to pay their policies at maturity. The Canada Life carries out this trust by investing in government, government guaranteed and municipal bonds, public utility bonds, mortgages on homes and farms and other government approved investments.

This Company, with resources stronger than ever, stands back of the call made by every Canada Life representative.

Canada Life Assurance Company

Established 1847

"It must be Canada Dry"

WHEN the week-end party is in full swing . . . with many a call for long, tall drinks . . . then you'll surely find Canada Dry in evidence, too. For many, many years this fine, old ginger ale has been in a class apart . . . the one mixer, the beverage everyone is proud to serve.

Of course, it must be Canada Dry. Keep a case on hand for the children, for guests, and especially for your own enjoyment.

Try the family size of Canada Dry's Sparkling Water—an extra-lively "soda" with long-lasting sparkle. A perfect blender as well as a delightful table-water.

Say Growing World Nationalism May Spell Depression for Canada

Self-sufficiency Said Particularly Difficult for Canada; Debt, Interest Adjustment Needed

Growing economic nationalism throughout the world may spell prolonged depression, prolonged unemployment for Canada.

Canada is geared largely for export trade, and may, therefore, find the job of living on her own means peculiarly difficult.

While inter-zone trade, such as Empire commerce, offers some hope, we may find in this country that, in the next generation, we shall have to live more self-sufficiently than any other generation of Canadians since the French régime.

Deep-rooted prosperity cannot return to Canada until some solution is evolved of the problems of debt and interest adjustment and exchange stabilization at a rate allowing Canadian exporters to compete unhandicapped with exporters of other nations.

Challenges of Economists

These were the principal challenges of Gilbert E. Jackson and A. F. W. Plumptre of the department of economics of the University of Toronto in a recent informal discussion of Canada's position in world economic affairs by a group of Toronto members of the Canadian Institute of International Affairs.

The discussion was the concluding one in a series of meetings to consider Canada's internal and external monetary policies, particularly in connection with the new central bank. The results, it is expected, will be published in book form this year, probably the first time that a survey of Canada's economic and monetary position has been presented in this manner. The work will include discussions of central banking policy, control of investment and public works, international capital movements, control of exchange rates, central bank reserves, and Canada's relation to these and to the nationalistic postwar world.

Significance to Canadians

By coincidence, this meeting occurred at the same time as Maclean's Magazine published an article by G. R. Stevens, Canadian trade commissioner at Melbourne, Australia, setting forth views similar to those expressed in the introduction to this article. The dangers to the Dominions of the Elliottist doctrines of a self-sufficient Britain were also discussed recently in The Financial Post. Thus the significance to Canada of economic nationalism has been coming to light in a number of places at the same time.

What is this significance? These observers feel that the world, and even the British Empire, will become progressively less willing to buy our wheat, our pulp and paper, our timber, our fish, and perhaps even our minerals. In turn, they expect Canada to become less willing to buy from other countries such things as textiles, automobiles, electrical equipment, iron and steel wares, and other things that we may have considered n[illegible]y imports. The result, it [illegible]imed, may be to force Cana[illegible] wheat farmers into the dairy business, pulp cutters into textile mills, fishermen into automobile factories, and so on. In brief, such a world situation might force Canadians into different occupations, abandoning the old types of production that the world will no longer buy from us and making those things at home that we may have imported in the past.

Professor Jackson's Views

Professor Gilbert E. Jackson read the chief paper at the discussion by the Institute group. The principal comment was made by A. F. W. Plumptre both these contributions being summarized below.

Mr. Jackson remarked that the serious student of world affairs finds it difficult to suppress serious misgivings as to how the world's economic machinery will function in the next few years.

Economic discussion in the past three years he said had come to be based on two assumptions:

First that the free 1929 prosperity rested on a balance permitting the world to produce and exchange on a great scale without strain; Second, that this balance was destroyed thus creating strain that prevented from producing and exchanging as before.

He explained the pre-1929 balance in the light of economic history since 1871. In the period between 1871 and 1913 the world enjoyed great prosperity and active trade by a system of loans and repayments. In this system the old world, consisting largely of western Europe, was making new loans all over the world for development purposes. The newer countries, like Canada, the recipients of these loans, paid for them by sending a constant stream of goods to western Europe In other words, interest payments by new countries were financing shipments of goods and materials to western Europe and long term loans by the older countries were financing shipment of manufactures to the newer territories

The war upset this nicely balanced apple cart. As a result of the war, the greatest of the new world countries, the United States, became a creditor, a lender instead of a borrower. Western Europe had realized on many of its securities to finance the war. This diminishing of the old world's capital reduced the power of western Europe to lend abroad. The stream of interest payments from the new world was reduced and matters were further distorted by a new stream of interest payments from the old world to the new. The former flow of capital from the old world to the new dried up almost entirely. Also, because the new world had learned to make its own goods, exporting industries in the older countries found their markets lost.

The World's Problem

In the 1920's "the chickens came home to roost." There was widespread poverty in Europe. The Dawes plan in 1924 made possible a flow of loans from the new world chiefly the United States to Europe. This balanced the flow of interest payments from the old world. There was, however, nothing in the Dawes plan to revive demand in the new world for products of the matured countries of Europe. The world failed to realize this situation. A "new era" philosophy grew up in the United States based upon good business, partly a consequence of the stream of loans to sickly European countries resulting in a demand for North American exports.

The question confronting the world is: Shall the next generation adapt producing and commercial arrangements to the post-war financial situation, the consequences of which we can no longer disregard, or can we still nurse the hope of rediscovering a new financial relationship to re-establish world trade without drastic alterations in our equipment, our occupations, and our demand for goods?

The economic world of the next generation may be one whose equilibrium we are unable to restore permanently. In such a world, Canada might have to live on a more self-sufficient basis than any since first the French came to Canada. Mr. Jackson could not see what programme can give back to us in Canada our economic equilibrium and make unnecessary this great readjustment of occupations of individuals and nations to a basis of increased national self-sufficiency.

Plumptre in Agreement

A. F. W. Plumptre, commenting on Mr. Jackson's remarks agreed that there are two alternatives. The physical equipment and occupations of the population may be molded along lines of national self sufficiency; or the world may try to restore international trade by lower tariffs and suitable financial policies.

Mr. Plumptre thought that the post-war rate of international trade may have been excessive because of the growth of industrial technique in many countries; meaning by this that methods of manufacture may be sufficiently improved in countries like Canada to compensate for the advantage lost in turning from importation to manufacture within Canada. If this is correct, he said, part of the economic basis of international trade has been swept away by the war and its consequences. For this reason, he suggested that high tariff policies pursued all over the world after the war may have been the correct measures to bring about a more justifiable distribution of trade.

It is possible, he thought, that a reduction of the world trade below the 1924 to 1929 level need not entail a general reduction in standards of living. Nevertheless, difficulties would attend a reduction in world trade and Canada, in particular, would face daunting problems. Mr. Plumptre quoted F. C. Biggar, secretary of The Canadian Bank of Commerce, as having stated: "I believe that we, in this country, must before long come to grips with the financial problems that beset us. When the time comes to decide upon the steps that should be taken, Australia's plan deserves our most careful consideration." Mr. Plumptre said that he thought the most opportune time for Canada to take the Australian cure has already passed. The best time, he said, was when the depression was so deep that temporary shocks of readjustment would have had little effect. Genuine prosperity, he thought, cannot return until there is some solution to the problems of debt and interest rate adjustment and possibly of exchange stabilization to put Canadian exporters on an equal footing with competitors in other countries. If these problems and others of a non-financial nature are not tackled soon and with courage, Canada may be facing "the most difficult decade any British Dominion has ever known," he said.

Central Bank's Rôle

There are grave Canadian internal problems to be faced, Mr. Plumptre concluded, and he hoped that the Canadian central bank would play a helpful part. At the same time, he thought this central bank would have to perform important international functions, and that Canada's international money policies may best be administered by a single institution rather than through the ten chartered banks.

That these economists are not the only ones who are taking a realistic view of economic nationalism, is indicated by G. R. Stevens' article in Maclean's Magazine. He, too, leaves the inference in the reader's mind that Canadians occupied in wheat farming, in pulp cutting, and in other great industries that Canadians have always considered peculiarly suitable to this country, may have to change their occupations if economic nationalism continues its recent progress.

Baldwin's Pronouncement

To Canada and other British Dominions the attitude of Great Britain is one of the most important factors in this preview of what the next generation may face. Stanley Baldwin, Lord President of the Council, recently put his views as follows:

"Economic nationalism, for the time being, is setting in strongly and it looks as though for some years to come we might have to devise our economy to fit in with an economy of that nature. It is not going to be easy. By trade agreements we are trying to break through the walls of economic nationalism."

Some economists believe that inter zone or intra Empire trade offers the greatest hope for Canada. If we could continue to supply raw products to Britain and to other Empire countries, on a reciprocal basis, this would obviate the possible need for Canada to undergo the painful changes of occupation suggested by Mr. Jackson and Mr. Plumptre. Despite the Ottawa agreements, however, the prospect of a more self-contained Great Britain appears to be coming closer to reality. In the light of the nationalist trend in Great Britain and in nearly all the other countries of the world, the problem of Canada's position in such a world, as Mr. Stevens has suggested, is at least worthy of the serious consideration of intelligent Canadians.

St. Catherine St. Realty Bonds Down to $222,900

Amount of 6½ per cent, first mortgage bonds, due 1946 of St. Catherine Street Realty Corp. outstanding, has been reduced to $222,900, compared with an original amount of $375,000, it is understood.

Interest and sinking fund on the bonds have been deferred until Jan. 1, 1936. The deferred interest is to be repaid in 20 equal semi-annual installments starting January 1, 1937.

Outlines Plan to Encourage Industrial Firms to Spend

Editor, The Financial Post,

The government, in the budget now under consideration before the House, has given no indication that it proposes to change the provisions contained in the Income Tax Act granting mining companies the right to deduct from their earnings, an amount for depletion of capital, before their taxable profits are determined. It is not my purpose, in writing this letter, to suggest that any change may be advisable. On the contrary, it seems well worth while that the present provision should be continued.

Industrial and manufacturing businesses, however, seem to be entitled to relief of somewhat the same character in respect of obsolescence, a form of depletion of capital and a consumer of profits which I understand the government does not recognize.

In Canada, while we have extensive manufacturing plants, very many—far too many for the good of industry—are a long way from being modern and, if funds were available, I am sure many firms would gladly scrap their present equipment.

Further, if manufacturing firms were allowed to deduct from their taxable profits amounts to provide for obsolescence, the following results would be likely to ensue:—

(a) A gradual discarding of old equipment and its replacement by new;

(b) An increased demand for durable goods;

(c) A reduction in manufacturing costs.

It would seem only to be fair that, if manufacturing firms were granted such relief as I have suggested, they should agree:

(1) That the amount of the deduction would be maintained as a cash fund·

(2) That, unless the amount of the deductions are actually used for the purpose for which they were permitted, they should be taxable, and possibly an additional penalty imposed for non-use.

I am not impressed by much of the economy talk. What, by the way, has happened to the old slogan "You must spend money to make money." Nevertheless, the government must have money to carry on, and my suggestion has the effect—at least at first—of lessening the revenue the government would otherwise receive from income tax.

May I, to meet this difficulty, propose that it be a further condition of the granting of relief for obsolescence, that the amount of such allowances be deposited with the government and carry an interest rate of 4% per annum. In this way, while the government would have lost certain revenue, it would actually, at certain times, be possessed of much more cash than the income tax would yield.

QUERY.

Montreal,
May 10, 1934.

Chatham Hotel Expects Approval Reorganization

A recently proposed re-organization scheme for Chatham Hotel Co. is expected to get the approval of the bondholders this year, it is reported. Up to the present time, it is understood that about 90 per cent of bondholders have sanctioned the plan.

The scheme calls for payment of two per cent in cash on the outstanding $300,000 of 6½ per cent debentures. The proposal also suggests that bondholders exchange their present 6½ per cent debentures for four per cent second mortgage debenture stock, maturing June 30, 1944. This second mortgage would be subject to the first mortgage held by the London Life Assurance Co. amounting to $304,500, and to other charges totalling about $65,000.

LOBLAW PROFITS TURNING UPWARD

Profits Declined for Year to Date But Present Trend Upward

Loblaw Groceteras Co. sales for the first forty-four weeks of its fiscal year, that is to April 7, 1934, were $12,424,471 as compared with $11,902,609 for the same period in the preceding fiscal year. In spite of this increase in volume, the smaller margin of profit resulted in net profits during this period being $670,500 as compared with $723,436 in the preceding period.

In the last four-week period ended April 7, however, there was an upward trend to net profits as well as to sales. Sales for that period were $1,242,791 as compared with $1,075,466 for the corresponding four-week period in 1933. Net profits were $65,683 as compared with $62,932 for the corresponding period.

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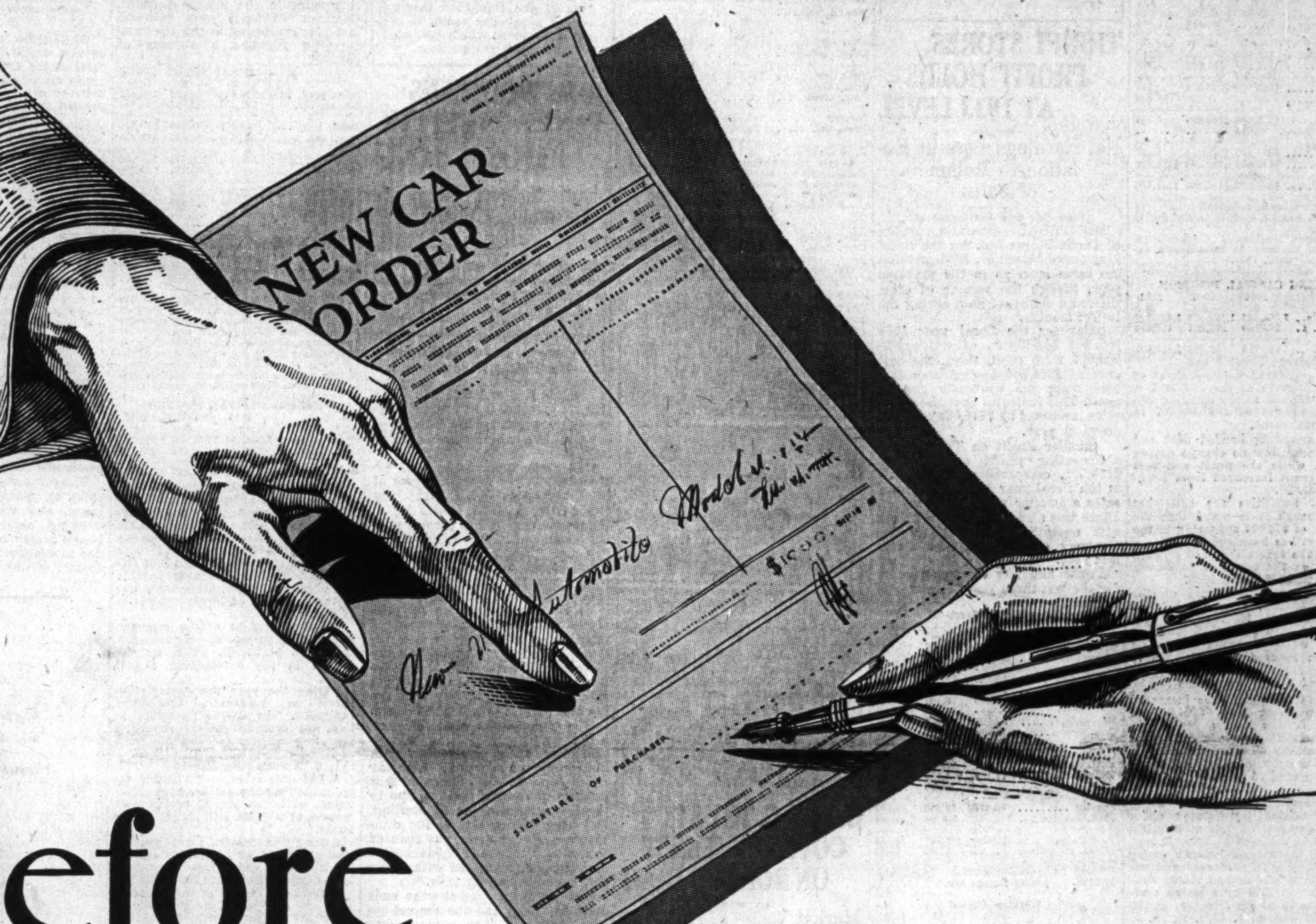

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BEFORE the order is signed, the wise purchaser of a new automobile verifies the *facts* about the company behind the car—and its responsibility towards owners.

These facts seldom appear in the specification sheets, or in the catalogues and advertisements. In some cases, the inquiring buyer runs up against a dictatorial attitude or one of indifference.

But General Motors is always frank to acknowledge its obligation *to serve the customer in the way that the customer wants to be served.*

The first job of General Motors, as we see it, is steadily to give the public what it wants in better cars.

The second job is to protect buyers of our cars against experiments of doubtful utility or doubtful value.

The third, to make efficient service and genuine replacement parts conveniently available to every owner at low cost.

All three imply the need for experience—stability—progressive engineering—organization on a nation-wide scale. And in all of these, General Motors is unequalled in the industry.

These jobs are made easier, also, by our fixed habit of taking nothing for granted.

Just as we test our cars on the greatest proving grounds in the world, so we test our ideas on the Proving Ground of Public Opinion.

Through the answers of 60,000 Canadians to our annual Customer Questionnaires, we checked our new designs against *what the public wanted.*

That is why our 1934 General Motors Cars, with their Streamlined Beauty, Knee-Action Wheels and No-Draft Ventilation are riding the crest of popular favor.

We saw to it, months before production, that our cars as well as our policies could withstand your closest scrutiny and closest comparison before you sign the order.

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CHEVROLET — *. . . for Economical Transportation*
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CADILLAC — *Standard of the World*
CHEVROLET AND GMC TRUCKS — *For Lowest Hauling Costs*

CANAD. VICKERS FAIL TO COVER BOND INTEREST

Report Another Poor Year — Sinking Fund Not Provided

From Our Own Correspondent

MONTREAL. — For the second successive year, Canadian Vickers reported an operating loss, which was converted into a profit by taking into consideration the Government subsidy of $105,000 annually. The operating profit reported for the fiscal year ended Feb. 28, 1934, was $34,987 compared with $99,840 in the previous twelve months. The report for the past year also indicates that the company did not make provision for the sinking fund on its first mortgage funded debt. This development was forecast in the January 13 issue of The Financial Post.

Meet Bond Interest

Payment of bond interest was met in full by the company last year, resulting in a deficit of $116,950, to which was added $194,440, representing an appropriation for depreciation reserve.

Particulars of the profit and loss account figures for the past few years follow:

	1933-34	1932-33	1931-32
	$	$	$
Oper. prof. ...	34,987	67,322	409,010
*Other income ..	......	32,518	15,680
Total	34,987	99,840	424,690
Bond int. etc. .	151,937	177,209	158,513
Deprec.	194,440	195,647	195,970
Net inc.	§311,390	§273,016	70,207
†Reserves	......	79,000	65,000
Balance	§311,390	§352,016	5,207
‡Spec. assess. ..	50,000	......	......
Surplus	§361,390	§352,016	5,207
Prev. bal.	§506,900	§152,243	§156,880
P. & L. bal. ...	§868,290	§504,250	§151,673

*Discount on bonds redeemed.
†For contingencies, inventories and doubtful accounts.
‡By Quebec Workmen's Compensation Commission, payment by installments extending to January, 1934.
§Deficit.

WORKING CAPITAL POSITION

	1934	1933	1932
	$	$	$
Curr. assets..	1,053,485	1,162,929	1,422,147
Curr. liabs. ..	232,169	210,321	117,246
Work. cap. ..	821,316	952,608	1,304,901

Balance Sheet Weak

The consolidated balance sheet of Canadian Vickers at the end of last February showed assets totalling $6,927,387 compared with $7,168,507 in the 1933 statement.

The outstanding bonded debt and capital stock show no change during the year, while the profit and loss deficit account increased from $504,259 to $869,290.

Current liabilities are somewhat higher, though it is noted that the bank loan of $72,000 appearing in the 1933 report has been cut in half.

Among the assets the fixed account is shown on the books at $5,266,408, as against $5,460,213 in 1933.

Work in progress stands on the books at $34,332, or about half of that reported in 1933. Stores, materials, etc., are somewhat lower at $175,336, while accounts receivable have been reduced from $383,758 to $307,713.

Red Barge Debentures

Advances to subsidiaries increased during the year from $204,847 to $230,028. A new item appearing in the accounts this year is $57,896 of Red Barge Line debenture certificates, payable December 31, 1933, and taken into account at 50 per cent of their face value.

Allotted But Unpaid

The Dominion Government claim still stands on the books at $458,782, as also does the item of $270,000 representing the unpaid balance owing on 3,000 shares of preferred and the same amount of common stocks subscribed for in 1929 by a group composed of some of the directors at $90 a unit. In February, 1930, rights to subscribe to these units were offered to the shareholders. They were not taken up and the rights expired on March 15, 1930.

Other items among the assets are relatively small and unimportant.

Public Utility Earnings

Mexico Tramways

	1934	1933	Decrease
March	$	$	$
Gr. earn.	210,546	253,520	42,974
Oper. exps. & deprec. ..	280,188	323,002	42,814
Net earn.	†69,642	†69,482	† 160
Three Months Ended March 31:			
Gr. earn.	613,034	723,150	110,116
Oper. exps. & deprec. ...	804,055	952,145	*148,090
Net earn.	†191,021	†228,995	†37,974

†Deficit.

Mexican Light & Power

	1934	1933	Decrease
March	$	$	$
Gr. earn.	686,424	793,699	107,275
Oper. exps. & deprec. ..	441,403	498,439	57,036
Net earn. ...	245,021	295,260	50,239
Three Months Ended March 31:			
Gr. earn.	2,107,962	2,379,342	271,380
Oper. exps. & deprec. .	1,305,144	1,478,816	173,672
Net earn. ...	802,818	900,526	97,708

BONDS

. . . at a discount

BONDS of a number of industrial corporations which have been selling substantially below par by reason of conditions during recent years occupy an interesting position today in view of the marked improvement affecting practically every line of industry.

Interest payments on these bonds have been paid regularly, and the income return at present prices is generous. With continued business recovery, improvement in market quotations for these bonds may be anticipated.

★

We shall be glad to furnish details of such issues upon request

NESBITT, THOMSON and Company Limited

355 St. James Street West, Montreal

Branches in all the principal cities of Canada

164

Manitoba Creates Licensing Board

Hon. W. J. Major, K.C., attorney-general of Manitoba, has announced a licensing board of five members to grant licenses and renewals of licenses to beer parlors. R. D. Waugh, commissioner of the government liquor control commission, was named chairman of the board. Other appointees were: Duncan Cameron, merchant; Alfred Osmond Marrin, wholesale grocer; Charles Rhodes Smith, barrister; Samuel Wilfred McCullough, insurance agent of Brandon. All except Mr. McCullough reside in Winnipeg.

The board will act in an advisory capacity to the liquor control commission in all matters pertaining to licensing as respects granting or revoking of licenses.

When the Government Liquor Control Act was amended at the last session of the Manitoba legislature, the personnel of the liquor control commission was reduced from three members to one member, Mr. Waugh, and the licensing board was therefore considered necessary.

THRIFT STORES PROFIT HOLDS AT 1933 LEVEL

Net Earnings Less in Relation to Volume of Sales

From Our Own Correspondent

MONTREAL.—Operating profits of Thrift Stores Ltd. for the fiscal year ended March 31, 1934, were on the same level as in the previous year, though the volume of sales showed a moderate gain during the twelve months.

Sales for the fiscal year 1934 totalled $4,830,125, of which $4,508,624 were retail sales, the balance of $321,500 having been derived from the wholesale department. This indicates that the retail sales increased by $376,588 over the previous year.

Smaller Profit on Turnover

Operating profit amounted to $110,701, compared with $111,837 in the fiscal year 1933. This indicates a smaller profit on turnover. There was also a smaller profit per unit operated, inasmuch as the company opened four new stores last year.

Profit and loss account figures for the last three years compare as follows:

Years Ending March 31

	1934	1933	1932
	$	$	$
Op. profit	110,701	111,837	107,130
Deprec.	30,516	36,793	28,789
Net profits	80,185	75,044	78,341
1st pfd. div.	22,279	22,397	22,750
2nd pfd. div.	8,400	8,400	8,400
Net earn.	49,506	44,247	47,191
Com. div.	8,000	......	......
Balance	41,506	44,247	47,191
Prof. on sh. re. ..	......	*2,320	......
Taxes and adj. ..	11,129	†10,656	9,084
		‡9,495	......
Surplus	30,377	26,416	38,107
Prev. surplus ...	119,712	93,296	55,189
P. & L. sur.	150,089	119,712	93,296
§Earn. on com...	$1.92	$1.68	$1.88

*Add. †Applicable to 1933. ‡Applicable to 1932. §After income tax.

Working Capital

	1934	1933	1932
	$	$	$
Curr. assets	574,820	523,760	492,427
Curr. liabs.	171,651	159,932	151,833
Net work. cap. ..	403,169	363,169	340,593

Assets Show Gain

At the end of last March the balance sheet of Thrift Stores showed assets totalling $784,490, as against $742,394 on March 31, 1933. Examination of the liabilities shows that no change has taken place in the capital stock, while accounts payable and tax reserve show a moderate increase. The surplus now stands on the books at $150,089, an increase of $30,377 during the year.

The property account, after provision for depreciation, stands on the books at $156,821. This compares with $162,057 as reported in the 1933 statement.

Goodwill remains unchanged at $39,000, while deferred charges declined slightly to $13,849.

Liquid Resources Less

The liquid position of the company, represented by cash, call loans and investments, is not as strong as a year ago, amounting to $172,870 compared with about $192,000 at the close of 1933.

Accounts receivable show an increase of $34,750, represented by increases in amounts due from unemployment relief committee.

Inventory shows an increase amounting to $308,630 as against $275,401 a year ago.

NIAGARA WIRE CO. PROFITS ADVANCE SHARPLY IN 1934

Better Conditions in Paper Trade Reflected in Report

From Our Own Correspondent

MONTREAL.—With an improvement in sales, earnings of Niagara Wire Weaving Co. during the fiscal year ended March 31, 1934, totalled $126,836 compared with $33,821 in the previous year.

This improvement reflects to a considerable degree increased sales of wire to the paper mills, though, at the same time, it is reported that as a result of the general rise in security and commodity prices during the year, a larger proportion of the gross revenue than usual came from non-operating income.

Pay Off Arrears

Consequent upon the improvement in earning power, the management took steps to pay off the dividend on the cumulative convertible preference stock. At the end of March there were two quarterly dividends aggregating $1.50 in arrears, but an appropriation of $31,087 has been made to pay off this liability on April 2.

Particulars of the profit and loss account figures for the past three years follow:

	1933-34	1932-33	1931-32
	$	$	$
xNet profit....	a126,836	a33,821	94,379
Other income .	......	......	14,541
Total inc.	126,836	33,821	108,920
Pfd. divids. ..	77,718	15,543	62,625
Com. divids. ...	......	......	50,000
Surplus	49,118	18,278	d3,705
Prev. bal.	33,030	14,753	18,459
P. & L. bal. ...	82,148	33,030	14,754

x—Net profits after all expenses, depreciation and income taxes.
a—Including other income.
d—Deficit.

WORKING CAPITAL POSITION

	1934	1933	1932
	$	$	$
Curr. assets ...	776,419	621,864	611,103
Curr. liabs.	131,960	41,334	85,755
Work. cap.	644,459	580,530	525,348

Niagara Wire Weaving Co.'s balance sheet at the end of last March showed assets totalling $1,347,053, compared with $1,146,048 at the end of the previous year.

Current liabilities show a substantial increase—from $41,334, to $131,960, due to a larger amount of accounts payable and dividends on the preferred stock, payable in April.

Increase in Reserves

During the past year the company increased its depreciation reserve from $270,295 to $315,957, while a contingent reserve of $18,000 was set up in the 1934 account. Other reserves, for returnable containers, was increased about $6,500 to $30,747.

No change has taken place in the other items among liabilities.

Among the assets it is noted that cash on hand has declined slightly to $204,570. Investments, on the other hand, increased from $280,087 to $357,693.

Accounts receivable show a relatively substantial increase at $57,952, while inventories increased in value from $68,579 to $156,203.

Advances to trustee in respect to the Employees' stock purchase plan and sundry balances due by employees are carried on the books at $78,069, compared with $32,138 in 1933.

Property account stands on the books at $489,212, a slight increase over that reported in the preceding year. Patents are carried at the nominal figure of $1.

G. B. & C. TRUST COVER INTEREST ON BONDED DEBT

Market Value of Holdings Records Appreciable Increase

From Our Own Correspondent

MONTREAL.—Both revenue and the value of investments of Great Britain and Canada Investment Corp. recorded an appreciable improvement in the fiscal year ended March 31, 1934, compared with the preceding twelve months.

Gross revenues amounted to $246,892, compared with $235,318 in 1933. After providing for all charges, including bond interest and foreign exchange loss, there was a balance of $4,373. During the previous year, profit and loss account, a copy of which follows, showed a deficit of $35,027.

	1933-34	1932-33	1931-32
	$	$	$
Invest. rev.	237,312	221,081	380,296
Stock divs.	8,158	13,006	27,858
Int. earn.	1,420	1,231	3,110
Gross rev.	246,892	235,318	411,264
Expenses	‡14,936	10,690	15,314
Balance	231,956	224,628	395,950
Interest	220,957	229,426	259,567
Net rev.	10,999	*4,798	136,383
For. exch. loss ..	6,626	23,453	18,508
Balance	4,373	*28,251	117,876
Taxes	......	2,713	3,867
Balance	4,373	*30,964	114,008
†Spec. exp.	......	4,063	......
Balance	4,373	*35,027	114,008
Pfd. div.	......	......	100,000
Surplus	4,373	*35,027	14,008
Prev. surp.	115,849	150,878	143,226
P. & L. bal.	120,222	115,851	157,234

‡Including provincial corporation tax.
*Debit. †Reduction of preferred stock.

Reduce Funded Debt

At the end of last March the balance sheet of Great Britain and Canada Investment Corp. showed assets totalling $8,184,369, as against $8,292,556 at the close of the previous year. Current liabilities at $153,648 are somewhat higher than in 1933. The funded debt of the company shows a decline, outstanding debentures now totalling $4,910,500 compared with $5,038,000 in 1933. Of the $251,500 of debentures purchased, $127,500 were cancelled, the remaining $124,000 being held as investments.

There is no change in the outstanding capital stock, while the surplus shows a slight increase.

Among the assets cash on hand amounts to $112,176. In the 1933 report, cash on hand and funds on deposit totalled $138,269.

Portfolio Values Higher

A marked improvement in the company's balance sheet position is reflected in the investment portfolio. Investment securities held by the company at the end of last March had a book value of $8,003,552 as against a market value of $4,456,539. In the 1933 statement the book value of investments was $8,093,451 and the market value $2,997,514, indicating an improvement in the market value of 48.7 per cent.

New Walker Director

Col. George T. Chisholm, of Osler & Hammond, Toronto, is a new director of Hiram Walker-Gooderham & Worts. He replaces the late H. F. Marriott.

Imperial Oil N. F. Loan May Be Paid on July 1

The visit of Commissioner Lodge of Newfoundland to England is of considerable interest to Imperial Oil in view of the fact that the commission's report on the affairs of Newfoundland recommended that the $1,750,000 loan of Imperial Oil should be paid back and the monopoly agreement cancelled. Announcement as to policy will come by July 1. The first objective is to get $1,000,000 to aid fishers and farmers.

Imperial Oil made this loan in May, 1932, and though the commission reported that the arrangement was working out satisfactorily and that the company had taken no advantage of its monopoly it thought a monopoly agreement was wrong in principle. The company itself is more or less indifferent to the outcome but probably would rather have the loan repaid and the monopoly agreement cancelled. Even before the monopoly agreement 90 per cent of retail sales originated with Imperial Oil. With population of the Dominion thinly spread along the coast, it is not a business which has attracted much competition.

DOM. WOOLLENS EARNINGS BETTER REPORTS STATE

Bond Interest May Be Resumed, Unofficial Report

Dominion Woollens & Worsteds is participating in the general improvement of business and particularly in the improvement in the textile trade, although definite indications of earnings are lacking, it is understood. It was recently stated to The Financial Post from unofficial sources that the company is earning at a rate that will allow it to recommence bond interest payments from Dec. 1, 1934. This, however, could not be confirmed officially.

Under the 1932 scheme of reorganization the four payments of bond interest on Dec. 1, 1932; June 1 and Dec. 1, 1933; and June 1, 1934, were deferred to become payable commencing Dec. 1, 1937. This, of course, means that regular interest payments on the six per cent bonds, due 1948, are scheduled to recommence on Dec. 1, 1934. And it is to this resumption of payments that the unofficial report of improved earnings refers. It is understood, however, that so many factors may enter into the situation before Dec. 1 that it is not yet safe to predict definitely that the interest payments will be resumed.

Exchange Rate

It is noteworthy that A. O. Dawson, president of the company, in presenting the report for the year ended June 30, 1933, indicated that imports of foreign textiles, due to the depreciated value of sterling, had been detrimental to the company's business. Loss was reduced in the 1933 year to $117,944, before depreciation, compared with $179,472 in the preceding year.

The company's fiscal year ends June 30, 1934, and the annual report is expected to appear some time in September. Since the pound sterling has been at a premium for most of the company's fiscal period, this obstacle to improved business has been absent. Another factor that lends credence to the report of better business is the improved results of other textile concerns.

THAYERS REPORTS LARGER EARNINGS

Pays Regular Preferred Dividend and 25 Cents on Common

Thayers Ltd. net profits of $101,600 in 1933, before meeting depreciation and income taxes, compares with an average of $96,734 for the four-year period ended Dec. 31, 1933, as shown in a statement issued by Angus & Co., investment bankers. The latter firm estimates a return of $130,000 for 1934 if the use of gasoline and fuel oil continues at the same pace as at present for the last nine months of 1934.

Profit and Loss Statement

	$
Profits	101,600
Depreciation	*50,234
Net profit	51,366
Less: Preferred dividends	33,495
Balance before income tax	†17,871

*It is stated by Angus & Co. that this is a very heavy write-off and that normal depreciation write-off at rates established for income tax purposes would be $34,946.
†There is also $12,500 due on 1933 business.

Under current assets cash at the end of the year amounted to $117,669, customers' accounts to $37,815 and inventories to $28,483. The principal current liability is accounts payable at $61,372.

Working Capital

	$
Current assets	183,966
Current liabilities	86,134
Working capital	97,832
Ratio	2.13—1

Dividends on the preferred stock have been paid at the rate of $3.50 per share of $50 par value, while the no par value common stock was placed on a dividend basis on Jan. 2, 1934, with an initial payment of 25 cents per share.

Abitibi Power & Paper Company, Limited

TORONTO, ONT.

Owning and operating mills at

Beaupré, Que.	Sault Ste. Marie, Ont.
Sturgeon Falls, Ont.	Iroquois Falls, Ont.
Espanola, Ont.	Smooth Rock Falls, Ont.
Pine Falls, Man.	Fort William, Ont.

Daily Capacity 2,200 Tons Newsprint

Groundwood Pulp News Sulphite Pulp

High Grade Bleached Sulphite Pulp

CANAD. COTTONS EARNING POWER MUCH IMPROVED

Profit on Common Stock Registers Marked Increase

From Our Own Correspondent

MONTREAL.—With mill operations at about 80 per cent of capacity during the year, earning power of Canadian Cottons Ltd. more than doubled in the fiscal year ended March 31, 1934, compared with the preceding twelve months. Net earnings were equivalent to $4.52 a share on the common stock.

In common with the other cotton textile companies, Canadian Cottons' plant operations, sales and earnings over the past twelve months were substantially greater than at any time in the last four or five years. This was in part a reflection of an improved purchasing power.

Deficit Into Surplus

The profit and loss account statement, a copy of which follows, shows that after taking care of the preference dividend there was a balance available for distribution on the common stock of $122,678. In the previous year there was a deficit of almost equal proportions at this point in the income account. Common dividends were resumed last year, resulting in the company carrying forward a surplus of $68,368.

	1933-34	1932-33	1931-32
	$	$	$
Oper. prof.	276,408	74,888	120,611
Int. on inv. ...	147,607	137,651	169,061
Total inc.	424,016	212,540	289,672
Bond int.	81,648	87,029	132,465
Balance	342,368	125,511	157,207
Bad debts	......	34,774	31,796
Net inc.	342,368	90,937	125,409
Pfd. divid.	219,690	219,690	219,690
Com. divid.	54,310	......	......
Surplus	68,368	d128,953	d94,280
Prev. surp. ...	1,891,246	a2,162,700	2,114,480
Total	1,959,614	2,033,746	2,020,200
Deduction	......	142,500	......
P. & L. bal. ...	1,959,614	1,891,246	2,020,200

d—Deficit. a—Adjusted by addition of $142,500, proportion of discount on bonds purchased for sinking fund and now redeemed and cancelled. b—Value of shares in subsidiary companies written down $101,236; loss on securities sold during year, $7,199; transfer to reserve for contingencies to provide for depreciation in market value of securities, $34,064.

WORKING CAPITAL POSITION

	1934	1933	1932
	$	$	$
Curr. assets .	6,260,426	5,305,489	5,986,502
Curr. liabs. ..	1,359,748	1,034,436	1,103,782
Work. cap. ..	4,900,678	4,271,053	4,882,720

The balance sheet of Canadian Cottons at the end of last March reflects a marked improvement in earnings and generally better conditions within the industry. Assets of the company totalled $16,493,503 compared with $16,703,823 at the end of the 1933 fiscal year. Current accounts payable are somewhat larger, presumably due to the purchase of larger quantities of cotton.

The funded debt of the company was reduced during the year from $2,851,140 to $1,997,140. There was no change in the outstanding capital stock.

During the year the depreciation reserve was increased by $350,000 to $4,200,000. The reserve for depreciation was deducted before reporting operating profits, and was the same as reported in the 1933 fiscal year.

Absorb Debt Reserve

A bad debt reserve of $100,000 set up in the 1933 account has been eliminated, while the special replacement reserve of $600,000 still stands on the books.

Among the assets, plant account now stands at $10,013,064 as against $10,287,357 in 1933. Prepaid expenses have declined from $125,700 to $75,301.

Investments, bonds of the company, etc., are carried in the portfolio at $3,306,323 compared with $2,702,421 in the previous year. Treasury bonds held by the company show a decline from $985,255 to $144,707. Investments in other companies are carried at the nominal figure of $3.

Other assets show a moderate increase, except cash on hand, which declined during the year from $116,460 to $72,744.

CLAIM BENEFITS MAPLE LEAF PFD. BY REORGANIZING

Preferred Shareholders Represented in Talks on Recapitalizing

Preferred shareholders in Maple Leaf Milling Co. are being protected in the reorganization negotiations by a committee including Charles W. Band, president of the company, it is understood. Other representatives of preferred shareholders are also understood to have been keeping a watchful eye on the proceedings. Preferred shareholders will actually gain by the proposed reorganization, it is claimed. As indicated previously in The Financial Post, preferred shareholders will get common shares in the company when it is reorganized, according to present plans. In this connection, it is pointed out that preferred shareholders have really had nothing but the equity in the company since the heavy losses in 1929 due to unauthorized transactions by former officers. The reorganization, it is claimed, will merely recognize that situation.

The equity that is to be distributed to preferred shareholders will be in class A shares, preferred as to dividends, it is understood. It is claimed that the position of preferred shareholders will be improved to the extent that concessions as to the rate of interest by banks and bondholders will improve prospects of there being some earnings on the proposed new shares. Nothing is being earned on the stock at present, but there will be a better chance for earnings, if and when interest rates on loans and bonds are reduced.

The company has been obliged to carry on operations by heavy bank loans, and with a deficiency of working capital, ever since the heavy losses of 1929, which were due to unauthorized transactions by former officers.

VICEROY MFG. SALES INCREASE EARNINGS GAIN

Heavier Depreciation Written Off and More Lines Added

Earnings of $62,525 before depreciation and bond interest for the year ended Feb 28, 1934, are reported by the Viceroy Manufacturing Co. as compared with $48,600 in the preceding year. Depreciation written off, $43,895, is about a third more than for the previous year and brings the reserve for this purpose from $80,763 in 1933 to $124,657. After setting this amount aside and meeting bond interest there is a small surplus but not enough for dividends.

Owing to more stability in the raw rubber market the company has seen fit to return to surplus approximately ten thousand dollars which was set up as a special reserve against crude rubber commitments a year ago.

INCOME AND SURPLUS ACCOUNT
Years Ending Feb. 28

	1934	1933
	$	$
Gross earnings	62,525	48,600
Less: Deprec.	43,895	29,969
Bond interest	17,836	18,135
Net profit	794	496
Add: Prev. surp.	105,000	104,504
Res. for crude rub. commitments ...	10,049	......
	115,843	105,000

While there is little change in total current assets, President H. C. Jeffries states that inventory costs on crude rubber on hand and on forward delivery are substantially below the present market.

Working Capital

	1934	1933
	$	$
Current assets	265,467	256,775
Current liabs.	151,269	141,737
Working capital	114,198	115,038
Ratio	1.75—1	1.81—1

An increase of eight per cent in sales for the past year is claimed, bringing the volume for the year just closed to $606,793. In his report to shareholders Mr. Jeffries stated that new lines have been added to production, booked business is heavier than at this time a year ago, the plant is working close to capacity and turning out more poundage than ever before. Prices on certain lines have been increased.

Province of Nova Scotia

5% Bonds due March 1st, 1960

Price: 111.73 and interest, to yield 4.25%

These Bonds offer investors a favourable opportunity to obtain long term and well secured bonds on an attractive interest basis, with interest and principal payable in Canada and New York.

Mail enquiries will receive prompt attention.

Wood, Gundy & Company Limited

36 King St. West, Toronto—Tel. Elgin 4321

Toronto Montreal Winnipeg
Vancouver New York London, Eng.

Northern Ont. Bldg. Bonds Reduced to $731,600

Northern Ontario Building has reduced the amount of its 6½ per cent first mortgage bonds, due 1939, to $731,600, The Financial Post is informed. Sinking fund, however, is in arrears, it is understood.

The bonds were originally outstanding in the amount of $850,000 and interest was payable in Canadian or United States funds. Bond interest has been paid in full in Canadian funds, although the premium on American funds was at one time refused to bondholders.

Butter Production Higher in Manitoba

Butter fat graded in Manitoba creameries in the month of March totalled 994,654 pounds compared with 914,357 pounds in March, 1933, which is an increase of 80,297 pounds or 8.8 per cent states a report from the provincial dairy commissioner, L. A. Gibson.

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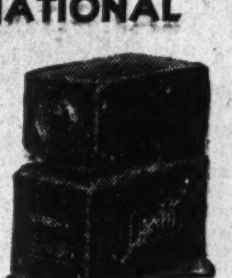

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ONTARIO
DEPARTMENT OF HIGHWAYS
MOTOR VEHICLES BRANCH

TO THE CAREFUL DRIVERS OF ONTARIO:

Congratulations—and a Request!

There has been a gratifying decrease in the number of automotive accidents in Ontario. There were fewer deaths in 1933, fewer persons injured, less property damage. The decrease in accidents has been substantially greater than the percentage of decrease in registrations.

To those drivers who helped in this improvement the thanks of this department, the thanks of every citizen of Ontario, is due, and you have mine in large measure.

But, we have only made a beginning!

Despite the improvement shown, there were 8,634 serious accidents last year. 403 men, women and children were killed. 7,877 persons were injured!

By whom? Who were responsible for these deaths and injuries?

The drivers involved were, for the most part, honest, decent citizens; men and women who are usually careful, who only take a chance *now and then*. They were of no special class. Some of them live in your street, perhaps next door to you. One of them might have been you! Every one of these drivers is sorry now—truly sorry—but all the regret in the world cannot restore life or limb.

The habitually reckless, callous driver is a known, visible menace. Against him swift action can be taken. But it is to the usually careful motorist, like yourself, that this department must look for help in making Ontario's streets and highways safer for driver and pedestrian alike. Will *you* help?—this season more than ever before! The way is simple, the result can be far-reaching.

Careful driver, respond to this appeal! Remember that it only takes a moment for an accident to happen—one lapse from safe-driving. In that one moment may occur a tragedy which the offending driver may never be able to forget. Every time you sit at the wheel of your car be safety-conscious. Watch! Drive safely always . . . all the way.

R. Macaulay

MINISTER

Toronto, May 1st, 1934.

News of Investment Markets

FOUR PER CENT BECOMING RARE IN HIGH-GRADES

Continued Rise of Prices Believed to Originate Within Canada

Four per cent on gilt-edged Canadian bonds will soon be only a memory, if the present strongly rising trend of the high-grade market continues. The advance of Dominion issues continued in the week ended May 15, again sending yields to the lowest levels in many years.

The latest movement toward higher prices is believed to originate chiefly in Canada. The international movement of securities has been toward export to the United Kingdom, which movement, however, has been offset by importations from the United States, according to information obtained by The Financial Post. Canada appears to have been a net exporter of capital and importer of securities. This leads to the belief that the improvement in gilt-edged bond prices in the Dominion originates within the country.

Possible Explanation

One of the possible explanations is that improved business in Canada has increased savings, and lessened the drain on resources of institutional investors. A relatively higher rate of saving and investment, without compensating creation of new securities would account for the advance.

The continuing rise of prices for gilt-edged bonds is shown by the decline of yields, as follows:

Average Yield on Seven High-Grade Canadian Bonds

	%		%
May 15	3.923	May 10	3.947
May 14	3.921	May 9	3.959
May 12	3.931	May 8	3.970
May 11	3.931	May 1	4.033

Extension of Movement

This movement has not been so evident in lower grade bonds, since the early 1934 upturn. It would appear, however, that, if the gilt-edged market continues its rise, there will be a point at which investment in lesser securities will be considered advantageous. This undetermined point should perhaps be that at which yield on gilt-edged bonds may become so low that investors will be willing to take the risks that go with the higher yields available in secondary bonds.

Up to the present, new investment has apparently been seeking security, above all. If the rise of the gilt-edged market lasts, and general conditions continue improved, it is possible that the declining trend of interest rates may be resumed in other bonds. In this manner a natural process of evolution to lower interest rates, such as have been in evidence in Great Britain and Australia for some time may develop in Canada. This, at least, appears to be what authorities/hope for.

Western provincial and corporation bonds were spotty in the week to May 15. British Columbia issues fluctuated sharply, but without a clear trend. General Steel Wares 6's gained 4½ points. Generally, however, price changes were moderate, as shown below:

Price Changes in Active Bonds

Western Provincials	Bid Prices May 15	May 8	Change
Alberta 6's, '47	101½	101	+ ½
*B.C. 4½'s, '53	84	85½	—1½
B.C. 5½'s, '45	95	94	+1
Man. 6's, '47	100¼	100	+ ¼
Sask. 6's, '52	99	98¾	+ ¼
Corporation Bonds			
‡Abitibi 5's, '53	41¼	44¼	—3
B. A. Oil 5's, '45	103½	103	+ ½
†B.C. Power 5½'s, '60	101¼	100½	+ ¾
†Can. Cement 5½'s, '47	92¾	92	+ ¾
‡Can. S.S. 6's, '41	30	31¾	—1¾
C.P.R. 6's, '42	112½	112	+ ½
†Can. Nor. Pr. 5's, '53	93¼	92¼	+1
†Gen. Steel W. 6's, '52	84	79½	+4½
†Gypsum 5½'s, '48	78	79¾	—1¾
†Mont. Pwr. 5's, '51	109¼	108½	+ ¾

* Payable in Canada and U. S.
† Payable in Canada, U.S., and U.K.
‡ Traded "flat," without interest.

Southern Canada Power Earnings Ahead in April

From Our Own Correspondent

MONTREAL. — Southern Canada Power Co.'s earnings during April and the seven months of the fiscal year ended April show a moderate increase over the corresponding figures for the previous year.

Gross operating revenue last April totalled $177,343, an increase of $9,251 over the same month in 1933. This gain was offset partially by an increase in operating expenses, but net earnings at $113,765 were $7,247 more than in April 1933.

For the first seven months of the current fiscal year gross revenue amounted to $1,289,229, or $27,821 more than for the same period in the previous year. Expenses show a moderate increase, while net earnings at $832,698 were $11,531 greater than in the same period of 1932-33.

Supersilk Hosiery Sales, Earnings Higher in 1933

Supersilk Hosiery Ltd., reports net profits for 1933 of $36,500 as compared with $35,000 in 1932. Sales were higher in 1933 than in 1932 and earnings were equivalent to $7.09 a share on the 7 per cent preferred stock as against $6.80 in the preceding year. Dividends of $3.50 a share were paid during the year.

Working capital is stronger though current assets ratio to current liabilities dropped somewhat from 13.5 to 8.52 times each dollar of current liabilities. Cash went up sharply from $10,727 to $61,446 but inventories dropped from $124,038 to $80,361. The increase in current liabilities was mainly due to accounts payable going up from $15,564 to $27,940.

B. C. Power's Earnings Fare Better in April

From Our Own Correspondent

MONTREAL. — British Columbia Power Corp's earnings for April were higher than a year ago. Gross earnings amounted to $1,046,164 compared with $1,018,220 in 1933. Operating expenses were somewhat lower, leaving net earnings last April at $369,940, as against $334,132 for the same month last year.

Despite recent increases in earnings, cumulative returns for the 10 months ended April 1934 are not as great as those for the corresponding period of the previous year.

Public Utility Earnings

Southern Canada Power

April—	1934 $	1933 $	Increase $
Gr. earn.	177,343	168,092	9,251
Oper. exps.	63,578	61,574	2,004
Net earn.	113,765	106,518	7,247
7 months—			
Gr. earn.	1,289,229	1,261,408	27,821
Oper. exp.	456,531	440,241	16,290
Net earn.	832,698	821,167	11,531

Offer Additional $2,800,000 of Beauharnois 5½'s at 96½

An additional $2,800,000 of Beauharnois Light, Heat and Power 5½'s of 1973 is being offered by a syndicate headed by Dominion Securities Corporation. The price is 96½, compared with 95¾ for the recent offering of $15,000,000 of bonds.

The bonds that are now being offered are an additional part of the $24,148,000 of bonds which banks acquired at the time of the reorganization of the company in 1932, it is understood. This would still leave $6,348,000 of bonds in the hands of banks. What is to be done with these remains a mystery.

Dominion's Guarantee

The Dominion guaranteed the banks against loss on loans of $16,000,000 at the time of reorganization. At the price of 92.45 paid by banks, this would represent a guarantee on some $17,300,000 of the $24,148,000 of bonds taken up by the banks. It is claimed that it is only coincidence that the total of bonds offered to date is $17,800,000, and the position of the Dominion's guarantee, therefore, remains in doubt. The additional issue is in accordance with the terms of the circular issued on the $15,000,000 flotation, which commented on the $24,148,000 of bonds, stating "part now being offered to the public." No qualification as to the disposal of the remaining bonds was made.

PATTULLO TOURS MONEY CENTRES SEEKING FUNDS

B. C.'s Money Hunt Seen as Indicating Desire to Avoid Default

From Our Own Correspondent

OTTAWA.—Great interest is apparent at Ottawa in the effort of Premier T. D. Pattullo, of British Columbia, to "go it alone," with respect to the financial affairs of his province.

Having failed to accept Premier R. B. Bennett's best offer, which involved a curtailment of the current budgetary deficit of his province, Mr. Pattullo is understood to be making a tour of the financial centres seeking assistance from banks and financial houses.

He went from Ottawa to Montreal and thence to New York. It is possible that he may make a flying visit to London and interview Rt. Hon. Neville Chamberlain, British Chancellor of the Exchequer.

Seeks Private Loan

It is apparent that Mr. Pattullo hopes to persuade private interests to undertake a loan to his province to an amount which would tide his government over the present year. This amount would be not less than $7,000,000. An obstacle to his success is the fact that the Bennett Government considers the present position of British Columbia to be unsatisfactory and is unwilling to grant a loan unless certain conditions are met. It is thought that Mr. Pattullo will have some difficulty in discovering private lenders who will be more generous in their terms than the Bennett Government.

But the fact that he is trying for a loan is regarded as a strong indication that his government desires to avoid default. One of Mr. Pattullo's strong cards in his negotiations is that a $7,000,000 loan may see British Columbia out of the woods. It is understood that he will use the argument that, having come through four years of depression, financiers would be unwise to permit the province to repudiate its debt interest at a time when business conditions are improving steadily and there is every chance of the Pattullo government being able to meet fixed charges a year hence.

Change of View

Mr. Pattullo's tour of the financial centres is the first real indication that his government regards default as a dangerous expedient. Hitherto in the discussions the prospect of default has been referred to as a means of escape from an intolerable burden and many people at Ottawa gathered the idea that Mr. Pattullo would rather default than succeed with his loan discussions here.

DOMINION GOV'T REVENUE JUMPS BY $5,204,142

Every Source of Revenue Yields More in April Than in 1933

Revenue of the Dominion Government for April, first month of the 1934-35 fiscal year, jumped $5,204,142, compared with the same 1933 month. Ordinary revenues were $19,371,877, compared with $14,167,735 in April, 1933.

The gain was offset by an increase in ordinary expenditures of $4,471,360. This, however, was due to increased public debt charges. And this, in turn, is due to a change of the interest date on the Victory loan which was converted last fall. Formerly the interest was paid May 1, but now it falls due April 15.

One encouraging change in the revenue figures for April is in customs receipts. They form the largest item of revenue, regaining the place that this source of income formerly held. Every source of revenue showed a gain. Comparative figures follow::

Dominion Revenue and Expenditure Month of April

Revenue:	1934 $	1933 $
Customs	5,299,694	3,440,431
Excise duty	2,663,202	2,267,709
Excise taxes	3,843,229	2,442,929
Income tax	4,334,752	3,601,505
Post-office	2,200,000	2,100,000
Misc.	1,031,000	315,161
Total ord. rev.	19,371,877	14,167,735
Spsc. repts.	1,209	......
Total revenue	19,373,086	14,167,735
Expenditures:		
Ordinary	21,225,561	16,754,201
Special	452,621	273,559
Capital	701,986	396,778
Total exp.	22,380,168	17,424,538

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Wabasso Cotton	*6%	1947	June 1	105
Can. For. Inv.†	7%	1949	June 1	105
St. John D. Dock	5½%	Serial	July 5	105
Rowntree Co. Ser. "A"	6%	10-yr.	Aug. 1	..

*$10,000.
†$233,000.

Ottawa Shelves 10-Year Charter For Loan Firms

From Our Own Correspondent

OTTAWA. — Further investigation of the proposal to have the charters of all loan companies terminate at ten year periods has led the Federal Government temporarily to abandon all thought of taking action this year.

It is now pointed out that the Dominion does not hold the exclusive right to incorporate or control loan companies, as it does banks. The provinces have equal rights and several loan companies are now operating under provincial charters.

For the Dominion Government to attempt to restrict the charter rights of Federal loan companies, without having previously obtained the co-operation of the provinces, would be very unwise, in the view of officials of the finance department. The net result would be to drive the Federal companies to the provinces, where more favorable charters could be obtained.

It is probable that the wisdom of making this change will be discussed with the provincial governments during the Parliamentary recess.

Digest of Parliament

OTTAWA, April 30, House of Commons—Budget continued.

May 1, House of Commons—Canadian and British Insurance Act given first reading. The Marketing bill debate continued.

Price Spreads Committee—Baking industry investigation begun.

Banking and Commerce Committee — G. G. McGeer, of Vancouver, explained his system of controlled monetary policy.

Senate—League of Nations debate continued.

May 2, House of Commons—Marketing bill debate continued. Premier Bennett announced changes in the gold tax.

Price Spreads—Baking industry probe continued.

Senate—Private bills advanced and League of Nations debate continued. Senate adjourned until May 8.

May 3, House of Commons—On motion of Hon. Robert Weir, minister of agriculture, the house disagreed with Senate amendments to the Fruit and Honey Act. Change in the oath of allegiance to make it conform to the Act of Westminster approved. Civil Service Salary Education Act considered.

Price Spreads Committee—Imperial Tobacco Company officials heard.

Banking and Commerce—McGeer evidence concluded. E. S. Woodward, secretary of the Free Economy League of Vancouver, explained a proposal to speed up the circulation of money. The committee resumes consideration of the Bank Act.

Senate Committee of Tourist Traffic—Government parks official and deputy publicity commissioner gave evidence.

May 4, House of Commons—Motion to extend enquiries of National Railways was defeated. A resolution affecting government operations and corporations to which Federal loans have been granted was defeated. Marketing bill considered in committee of the whole house. Supply voted for various departments.

Price Spreads Committee—Tobacco investigation continued.

Banking Committee—Bank Act considered.

May 7 — In the House of Commons: — Hon. R. J. Manion tabled report of National Railway auditors. Budget debate continued.

May 8, House of Commons: — Premier R. B. Bennett made statement in which he indicated that no request has been received by the government from London to apply quota restrictions against Japan. Marketing Bill considered further in committee.

Price Spreads Committee:—Entire week spent in investigating the tobacco industry.

Banking and Commerce:—Revised Bank Act considered.

Senate:—First reading given to Bill of Exchange Bill (confirming Rembrance Day as a holiday); the amendments to the Income Tax Act; and the Civil Service Salary Deduction Bill. League of Nations debate continued.

Tourist committee:—Possibilities of increasing traffic explored.

May 9, House of Commons: — Marketing Bill further considered in committee. House adjourned until Friday.

Senate:—Bills of Exchange Bill given second reading. Income Tax amended, Salary Deduction Bill and Oaths of Allegiance Bill passed. League of Nations debate continued.

Banking and Commerce Committee: —Wawanesa Insurance Company Bill considered.

May 11, House of Commons: — Budget debate continued.

Agricultural Committee:—Amendment to Canada Grain Act (separate grading of Garnet wheat) considered.

Bond Tenders

5 p.m., May 16, Forest Hill Village — $103,140, 4½ per cent, 10, 15 and 20-instalment debentures. L. W. Archer.

3 p.m., May 17, New Brunswick—$1,857,000, 4 per cent, 14-year debentures, dated May 15, 1934, due May 15, 1948. Antoine J. Leger, Prov. Sec-treas.

10 a.m., May 20, Twps. of Figuery and Dalgrier, East Part—$5,000, 6 per cent bonds, dated May 1, 1934, due serially from May 1, 1935 to May 1, 1939, for payment of debt. Gerard Caya, sec.-treas., Amos, Abitibi.

Investment Notes

Significant Investors' Index Numbers

1926 — 100

No. of Securities:	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	44.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	118.6	18.2	77.1	152.2	76.8	129.4	141.8	128.5	58.0	90.8
April	114.9	13.2	75.2	159.4	76.8	134.3	138.0	133.0	58.1	93.4
Weekly Figures, 1934:										
May 3	112.6	13.2	72.7	162.7	77.7	140.2	146.6	134.5	58.8	99.0
May 10	106.9	13.2	74.0	160.4	78.1	136.7	133.8	131.0	57.7	97.0

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
May 15 close	103.75	117.17	97.89
May 14 close	101.34	115.40	96.39
Week ago	107.63	118.98	99.51
Month ago	114.13	127.92	108.32

Supersilk Shares Listed

SUPERSILK HOSIERY MILLS has had listed 25,000 no par value common shares and 5,150 (less 169 shares redeemed) $100 par value preferred shares on the industrial section of the Toronto Stock Exchange. The stock was called for trading on Friday, May 4. This represents the total outstanding stock. A preferred dividend of $1.75 was paid on Jan. 1, 1934, this being at the rate of 3½ per cent per annum.

List Wineries and Distillers

WITH the managing committee of the Toronto Stock Exchange approving the listing of an additional 172,623 common shares of Canadian Wineries, Ltd., the total listed capital is now 109,000 shares. On the industrial curb of the same exchange was also listed an additional 172,623 common shares of Distillers Corp. Seagrams Ltd. which brings the total listed to 1,672,629 shares.

Walkerville Brewery

WALKERVILLE BREWERY, LTD., net profits in 1933 covered all charges, taxes and expenses, and showed little for dividends, a situation which most brewing companies have experienced under 1933 conditions in Ontario. However, the statement shows the company squared away and ready for operation under the new Ontario laws to obtain after the Ontario election.

As much of the money for selling additional shares of the company was only received on January 4, the whole 375,000 shares of stock were not shown as outstanding and the cash position is also much stronger than shown. The company has been brewing steadily and reports the largest inventory of good, aged beer in its recent history. Sales have also picked up, officials report, and business is substantially ahead of the same period in 1933.

Feed Grains Demand Up

GODERICH ELEVATOR president reports that low long-haul water rates attracted most of the export traffic in grain to Kingston and Montreal throughout the season but volume through Buffalo and Lake Erie ports decreased.

The Ontario milling demand was less but distribution of Manitoba coarse grains for feed resulted in a gain of 150 per cent through the elevators. So great was the demand for feed that stocks were depleted and cargo shipments on opening of navigation were anxiously awaited. The latter will continue until the Ontario crop is available. Awaiting opening of navigation at Fort William were 75,000,000 bushels of wheat and 13,000,000 bushels of feeding grain in addition to a large quantity in interior elevators.

Acadia Sugar

OPERATIONS of Acadia Sugar Co. since the beginning of the current year have been upset by the original uncertainty over the date of change in the sugar tax regulations. Sales have been disturbed and usual economy of operations upset by reason of inability to manufacture at even rate. The holdback of orders for sugar, especially for canning operations, is said to have reached sizable proportions. Now that the change in tax is in effect this business should go forward immediately.

No reports are available as to the trend of earnings by Acadia Sugar. Income last year was on approximately the same basis as in 1932. Regular dividends were paid on the preferred stock, while the company made further appropriations for dividend arrears which had accumulated from 1926 to 1930.

Brewers Expect Beer Sale July 1 After Election

Brewery company executives still expect sale of beer in hotels, restaurants and clubs under the new Ontario laws to be operative by July 1. Even though the Ontario election is delayed until late in June it is understood that all the preliminary work for devising regulations to give effect to the new legislation is well under way, even the necessary printing being done.

Talk of further mergers does not down. Canada Bud is much mentioned in street gossip but such a merger could only occur by an exchange of shares as there are no big interests as there were in the case of O'Keefe's Beverages. Brewing Corp. had only to make arrangements with the Millar estate and the Mulock estate and some other principals with large holdings and the trick was turned.

There are no such large holders of Canada Bud. The situation is rather difficult to assess. If Canada Bud shares go down in expectation of a merger, there will be no merger because Brewing Corp. will not recognize the new levels as justified. If the shares go down there might possibly be an offer but Brewing Corp. officials deny that there have been any negotiations.

Sales of Ford Cars Are Up Five Times

Five times the number of Ford cars were sold in Canada for the first four months of this year compared with the same period in 1933. This remarkable gain is announced from the head office of the parent company at Detroit.

For the same period the increase in total sales by the Ford Co. and its subsidiaries in all British Dominions is reported at nine times the figure for the first four months of last year, while total world sales showed a gain of 158.6 per cent.

ABITIBI POWER EARNINGS GAIN IN LATE MONTHS

(Continued from page 1)

the statement given above must be considered encouraging. The time has not yet come for reorganization of the company, however. Bond interest and depreciation are not covered on the old scale. Both the bondholders and the preferred stockholders committees asked the receiver and manager to state that it was their considered opinion that the time for reorganization is not yet appropriate in view of the fact that many problems remain to work out. The receiver and manager, while stating that he does not desire to express an opinion on the general question of reorganization does state that he "does not agree" with the ideas of the two committees.

S. R. Armstrong Called In

As to the "competent and efficient organization"—so named by the receiver-manager—L. R. Wilson, general manager prior to the receivership, has been retained in an advisory capacity.

"W. H. Smith, assistant general manager, has rendered important and valuable assistance to the receiver and manager," continues Mr. Clarkson. "With the approval of Court the services of S. R. Armstrong—an independent expert with a wide knowledge and long experience in newsprint and pulp production—were secured, and Mr. Armstrong has assisted the receiver and manager in general oversight of the mills and business of the company."

Many Mills Closed

All these men had large-scale problems to surmount. At the time of the receivership the rated annual capacity of the company's mills was 730,000 tons and sales of newsprint paper were slightly more than 200,000 tons per annum. The Sault Ste. Marie mill was running full capacity and the Iroquois Falls and Thunder Bay mills to partial capacity. The mills at Pine Falls, Manitoba, Ste. Anne, Murray Bay, Fort William, Sturgeon Falls and Espanola were closed down. There was pulpwood to run Iroquois Falls, Sault Ste. Marie, Port Arthur and Ste. Anne Mills. There were substantial supplies at Espanola and Sturgeon Falls mills as well but in these mills costs of conversion were so high as to make it certain no profits could be obtained from an attempt to salvage the wood. At Pine Falls and Murray Bay pulpwood supplies were insufficient to permit operation of the newsprint mills. The sulphite mill at Smooth Rock Falls had a rated capacity of 60,000 tons of high grade sulphite and there were 50,700 cords of pulpwood on hand. Demand and prices dropped so much at the time of the receivership that the mill was reported as operating at a loss of $125,000 per annum.

Saved From Destruction

Though no value was shown in the balance sheet of Sept. 10, 1932, to the pulpwood tributary to Espanola mill in Spanish river, 109,000 cords were driven to the mouth of the Spanish river and towed to Sault Ste. Marie where conversion will result in recovery of $350,650.

Shares held and advances made to Newsprint Bond & Share Co. and the Hebecourt Court Corp. had $873,738 written off their value, leaving them practically written down to nothing.

Lost Murray Bay Investment

As compared with Sept. 10, 1932, balance sheet variation of shares, bonds and advances to subsidiaries dropped from $40,292,874 to $37,342,126, a drop of $2,950,748. This was the net result of a book loss of $5,799,150 on sale of Murray Bay Paper Co., the writing off of $160,475 and the repayment of net advances of $114,839 by subsidiary companies, and the deduction from the total $6,074,464 of $3,123,716 made up as follows: net surplus of subsidiaries added to Abitibi surplus $2,733,232 and net profits of subsidiaries of $390,484.

The Abitibi investment in Murray Bay Paper Co. was represented by bonds due 1968 of $2,703,375, advances by Abitibi of $2,830,541 and capital stock owned $250,000, or $5,783,916 in all. Thus Abitibi Power lost more than its entire stake in this unfortunate investment and it is lucky at that because sale to Donohue Bros., Ltd., Quebec, released the company from a guarantee of $150,000 yearly for rental and other charges and certain guarantees given to Banque Canadienne Nationale.

Good Prices for Muskrat Pelts

Demand for muskrat pelts was brisk at the recent Winnipeg fur auction, prices being about double those of a year ago. Ontario muskrats sold from $1.30 to $1.40 and Manitobas from $1.10 to $1.30.

Ontario Milk Control Board To License Distributors

Ontario milk distributors will pay a $1 license fee under regulations of the provincial Milk Control Board, according to an announcement in the Ontario Gazette. Licenses to expire December 31 each year. During the remainder of this year the board is empowered to issue temporary licenses to distributors who were in business prior to May 1.

The regulations empower the board to grant, refuse, suspend or cancel licenses, and representations may be heard from those to whom licenses are refused.

Proof of financial responsibility must be furnished by distributors in a sum not less than $500. Distributors must also provide financial responsibility in an amount of not less than one-third of the amount owed to producers during the minimum period of 30 days.

Noranda 1st Quarter Profits Equal 73 Cents a Share

Noranda Mines had estimated profits of $1,645,796 in the first quarter of 1934, equivalent to 73 cents a share. This compares with profits of $1,809,671 in the final quarter of 1933, equivalent to 80 cents a share.

Total value of production in three months ended March 31 was $3,801,744, compared with $3,776,002 in the preceding quarter. Production of anode copper was 14,657,781 lbs., compared with 17,966,528 lbs. in the final 1933 quarter.

Meat Exports Gain

Heaviest meat shipments in years were recorded in March, total value of over $3,000,000 comparing with $1,274,000 in February and only $644,000 a year ago.

N. S. Fishing Prospects Good

First fishing trip of the season from Lunenburg netted 17 vessels 13,250 quintals as compared with 8,250 quintals from 15 vessels last season.

Weekly Record of Financing in Canada

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date	Offered by	Rate	Due	Amount	Price	Yield
Beauharnois Light, Heat & Pwr. (Additional)	May ..	Dominion Securities & Co., and Syndicate	5½%	1973	$2,800,000	96½	....
Stock Issues—							
Mining & Development Corp.	May ..	Bartley & Co.	....	....	50,000 shs.	$5	....
Stewart-Abate Gold Mines	May ..	Mineral Resources Finance Co.	....	....	250,000 shs.	40c	....

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TORONTO, MAY 19, 1934

AUSTRALIA WORRIED ABOUT BRITISH IMPORT POLICY

THE approaching visit of Rt. Hon. Stanley Bruce, Australian High Commissioner, to Canada apparently has some connection with the many current problems arising out of the Ottawa agreements.

Australia has been much more quick to carry out its obligations under the Ottawa agreements than has Canada. There have been more cases before the Australian tariff board and more reductions in the tariff on British goods.

Both Australia and New Zealand are very much concerned with the new agricultural self-sufficiency policy of Great Britain. The rebuff that was given to New Zealand when it offered virtual free trade to Britain was a staggering blow to Australian and New Zealand opinion although its full significance has not been realized yet in Canada. Mr. Bruce will probably attempt to induce Canada to join with the other Dominions in a united protest against Britain's new agricultural policy.

Many of the minor features of the Ottawa agreements stand in need of revision. It may not be necessary to reconvene the Imperial Economic Conference at an early date to effect the revision and, in fact, until Britain has decided how far support should be given to the new policy of Elliotism, there would be little purpose in calling a conference together. But a start might be made by bi-lateral negotiations between the different British countries, looking to revision of the numerous agreements that were signed at Ottawa in the summer of 1932.

While Australia is worried about her markets in Britain she is making some substantial gains in other directions. She has obtained a good market for her wine in the United States. Japan has become a large purchaser of Australian products, particularly those of the farm, and last year purchased 25 per cent of the total output of the Australian wool crop. Australia has a highly favorable balance of trade with Japan but Australia like Canada still finds most of her products barred from Europe and the United States, two areas that were once large purchasers of goods from the two Dominions.

BANKERS DO THEMSELVES A GOOD TURN

THE banks and the bankers have made a creditable showing before the Parliamentary committee on Banking and Commerce. The good humor and frankness of the bank executives with the members of Parliament has been of the utmost value to them before the bar of public opinion. Before the bankers presented their record of stewardship, public opinion, generally, seemed to be anything but friendly toward the banks. Now opinion has veered in the opposite direction and, probably for some time to come, little criticism of our banking structure will manifest itself.

The reason for the change in public feeling lies in part with the radicals who employed theorists to present their case. By overstepping the bounds of actualities and by stressing socialistic ideals impossible of achievement, they helped to ruin their own cause, which at best rested on intangible foundations.

Essentially, though, it was the complete frankness of the bank executives and their ability to face facts which won the public to their side. Jackson Dodds, president of the Bankers' Association, was the perfect witness; he evaded no questions and never once high-hatted the committee as some bankers have tried to do in the past. Time and time again during the enquiry the utter frankness of the Royal Bank of Canada's monthly letter on the existing economic situation was brought out, not by the banks themselves, but by their opponents.

In brief, then, the feeling toward the banks has improved because they have stated their case to the public, not because they wanted to, but because they were forced to do it by the routine Parliamentary examination of the workings of the Bank Act. For the future, it is to be hoped that the banks, who have done an excellent job, will continue this policy of informing the public of their aims, ideals and objectives. It is a policy which should be emulated by other Canadian businesses, for every corporate body has profited by continually telling the public all it has a right to know. Secrecy is the father of suspicion.

THE LIBERAL PARTY TODAY

THE WEEKLY SUN, Toronto, publishes a dispatch from its Ottawa correspondent stating that there is much talk in Ottawa of a new Liberal party "revivified and revitalized" and inspired by such progressive members as Ian Mackenzize and J. L. Ilsley. Likewise, it is reported that Premier MacDonald of Nova Scotia, a progressive Liberal, may come to Ottawa to occupy a seat on the Liberal front bench.

It is explained by The Weekly Sun that Mackenzie King's failure to exhibit all the fire and generalship which is expected of him is probably due partly to his canny nature and partly to the far from robust and abounding good health in which he finds himself.

There is a group of young and radical Liberals in the country who are far from satisfied with the present leadership of their party and who are anxious to have the opportunity of lining up behind very progressive, even radical, policies.

But while the revolt smoulders, Mackenzie King goes his way preaching the tried and tested doctrines of an old-fashioned Liberalism. In this, he is not without support. The Winnipeg Free Press, in a recent editorial on the Natural Products Marketing Act, stated that the Liberal party condemned without qualification the policy contained in the bill of close control of the economic life of the people. It agreed with the statement in the Ottawa Journal that the marketing bill "which is collectivism and State Socialism in the fullest sense and which is antagonistic to the individual idea in every sense is certainly anti-Liberal."

The Free Press quotes with approval the recent statement of Lord Lothian in Great Britain that the great battle for political and economic liberty was coming.

To Mackenzie King, Liberalism apparently implies libertarianism but to the younger Liberals it implies quite the opposite, a radical viewpoint on matters of property and civil rights and a rigid control of individual action in the interests of society at large.

It has always been the fate of Liberal parties the world over to be split into two camps; those to whom Liberalism spells personal liberty and freedom of action and those who conceive of Liberalism as reform to be achieved by state control. Experience and experiment clash constantly under Liberal banners everywhere. And so Liberal leaders always find themselves recruiting the youth of the land and then, as the young men grow older, losing many of them to both the Right and the Left. But of those that remain, the pull in either direction is seldom enough to get the party far off the middle of the road. So L. A. Taschereau and Mitchell Hepburn, William H. Moore and E. J. Young all find the riding comfortable.

And if Ian Mackenzie and J. L. Ilsley are to be taken as examples of the progressive viewpoint of the party, Liberal radicalism is not very dangerous.

BUT SOMEONE MUST CONTROL

WHEN Ian Mackenzie, M.P., asked Prime Minister Bennett if the Dominion Government would permit any of the provincial governments to enter the British financial market for refunding purposes, Mr. Benentt replied that the Government had no control over the matter. The provinces might make loans anywhere they might desire on their own security. Then he added:

"We have not endeavored to exercise any authority over the provinces in connection with loans they may have made or may desire to make, but I think that what the hon. gentleman has in mind is that those who have money to lend have been very anxious that in some way, if money were lent to a province, they should tie the Dominion up with it. Thus far they have not succeeded."

But can Mr. Bennett accurately declare that no one has succeeded in tying up the credit of the provinces and the Dominion? It has been made very clear by the Prime Minister and the Minister of Finance that it is not the intention of the Dominion Government to permit any province to default. Certain statements that they have made can be read in no other way than this and the advances they have made to the four western provinces indicate that they consider that a provincial default would be prejudicial to the credit of the Dominion.

When they took this stand they themselves tied up the Dominion to provincial loans.

The de facto situation today is that the credit of the Dominion is prejudiced or affected by the financial operations of provinces over whom the Dominion is exercising no adequate financial control. The province challenges the right of the Dominion to exercise any supervision over their financial affairs. Of course, the Dominion could refuse to make any further loans to the provinces but it is really too late to adopt that policy. The Dominion cannot let them down now and, despite the argument between Prime Minister Bennett and Premier Pattullo, probably will not let them down although it may hesitate to finance expansionist policies or recovery plans with which it disagrees.

Political arguments between premiers of opposite partisan persuasion only becloud the issue. The whole problem of public credit in Canada is involved and a definite national policy on public borrowings is required. If the credit of the provinces and the Dominion is to be joined then there should be centralized supervision of borrowings of all ten Canadian governments. We may for a while be able to drift along without any definite policy and we could conceivably go through the depression without facing the issue at all. But the present policy is a hazardous one; the Dominion Government is assuming contingent liabilities that may have profound political consequences. It is said of the war debts that the lesson they reveal is that when private individuals in one country loan to private individuals in another country it is a business transaction but that when governments loan to governments it is a political transaction and must be compromised on that basis.

It is the same with the Dominion loans to the provinces. Unless a proper scheme of joint control of these loans is invoked, repayment is almost certain to become a political issue in the future.

HELPING THE FARMER TO BUY

SOME common sense on the question of wages and prices is preached by the Canadian Countryman in a current editorial.

The editor of the Countryman believes that conditions will not be right in this country until the equilibrium that existed between agriculture and industry in 1927 is restored. That means that the price of farm products must go up or the price of manufactured goods and wages must come down.

Let us take this argument and follow it through:

From all previous depressions, recovery has come through the gradual attainment of equilibrium between prices received by different classes of producers. There can be no real recovery following this depression until the purchasing power of farmers and other primary producers has been restored.

There are two ways that their purchasing power can be enhanced. One is through an increase in the price of meat, livestock and other farm products. Despite the inflationary measures that have been invoked in many countries throughout the world, prices of farm products have improved but slightly. Further deliberate inflation would increase prices but in a very illusory and temporary fashion and at the price of further disequilibrium in other directions.

A second way in which the farmer's purchasing power can be enhanced is through reduction in the price of goods he buys so that his smaller income can be made to go further. This is deflation but is merely industrial deflation to match agricultural deflation. So far the farmer has gained more from lower wages and lower prices of manufactured goods than he has gained from a rise in the paper prices of the products he sells.

Canada has steered a middle course between inflation and deflation and has been wise to avoid extremes. There has been a meeting of minds. Neither the radicals nor the reactionaries of finance have had their own way. It is futile to expect that artificial measures to increase the paper value of farm prices are the way out of depression. The larger part of the answer lies in lower costs. This means that we must not count on an early restoration of 1929 wage levels. True, there are some American industries that have put wages back to 1929 levels, but it may be found that they have gone too far and will have to back water before recovery is well entrenched.

COULD HAVE BEEN AVOIDED

CANADA'S bankruptcy bill soared to something over $150,000,000 in the past four years, according to federal government figures. This is an appalling wastage, leaving in its wake a trail of hardship difficult to realize.

Any measures that will curtail this loss command close study.

Readers of The Financial Post will realize as a result of recent articles what a potent force is business life insurance in saving firms from bankruptcy, particularly during a depression period. It would be interesting to know how many firms have found that their business life insurance saved them in emergencies during these last four years.

The subject of business insurance might well be included in university extension courses in this country for two fundamental reasons:

1. To give those already engaged in the business of life insurance a chance to study this very important subject in a sound, comprehensive manner and under the best possible conditions for study.

2. To interest business men either directly by such lectures, or indirectly through publicity, in the vital importance of this subject to themselves and the community.

A new vision of life insurance is dawning in the public mind as a result of the depression. Men realize today that it is financial bed-rock, unshaken by the periodical earthquakes that cause alarm in most things financial.

EDITORIAL NOTES

Disarmament is dead in Europe, says a broker's letter. And the result may be more dead in Europe.

* * *

Anthony Adverse didn't get the Pulitzer Prize probably because the judges did not have time to read it.

* * *

If all the flashlights used to photograph Samuel Insull were electric lamps it would take most of the power in Middle West Utilities to keep them burning.

* * *

There is a great furore because the feet of Whistler's Mother have been cut off the new U. S. stamp. But the stamp is to advertise flowers, not shoes.

* * *

"When Charles Dickens put into the mouth of Mr. Micawber the words: 'The law is a "hass,"' he was undoubtedly contemplating the extraordinary rigidity of mind of the average government official prone to interpret government regulations on a strictly literal basis."

Anyway he probably was not contemplating that the Calgary Herald would ever forget Mr. Bumble.

* * *

John F. Sinclair, who resigned as vice-chairman of the N. R. A. Review Board because he couldn't stomach the policies of Clarence Darrow, the chairman, is a Canadian by birth. Hailing from Cobourg, he became first a lawyer, then a banker, and later a financial editor, probably the most highly paid in the world, writing a column that appeared daily in over 400 papers. He has frequently revisited his native land on business.

Sayings of the Week

"One only inflates once."—*Dr. Hjalman Schacht.*

* * *

"'The war that is coming in 1940 will be another world war—a war to end war."—*H. G. Wells.*

* * *

"You can not enforce a law like N. R. A. with penalties and policemen."—*Gen. Hugh Johnson.*

* * *

"Rugged individualism is rapidly leading to ragged individualism." — *Angus MacInnis, M.P. for South Vancouver.*

* * *

"The need for education does not suddenly terminate at fourteen plus, or, indeed, at any other plus." —*H. Ramsbothom.*

* * *

"Washington is the Kingdom of Confusion."—*William Allen White, publisher of the Emporia, Kansas Gazette.*

* * *

"Prosperity is always either behind us or before us. We seldom or never recognize it as present."—*Thomas F. Woodlock.*

* * *

"It was unfortunate that on Armistice Day the Allies forgot to demobilize the war correspondents."—*Senator Raoul Dandurand.*

* * *

"It is the spirit of the English people to co-operate with the American people, but what the Foreign Office does is another thing."—*H. G. Wells.*

* * *

"The Scotch are engineers on all the principal ships of the world. Through a conspiracy of efficiency they will be for years to come."—*H. G. Wells.*

* * *

"Democracy is far the most difficult form of government because it requires for perfect functioning the participation of everybody."—*Rt. Hon. Stanley Baldwin.*

* * *

"To say that Democracy is not equal to the complex task presented by government today is to forget the lessons of the Great War."—*Premier Angus L. MacDonald, of Nova Scotia.*

* * *

"It is not Socialism that would emerge out of anarchy any more than Socialism has emerged anywhere in Western Europe out of the post-war chaos."—*Sir Norman Angell.*

* * *

"Suppose that Hitler, Mussolini, Stalin and Roosevelt could meet in one room, the American president would not be dominated."—*J. L. Garvin, editor, the Sunday Observer.*

* * *

"In my judgment a country that grants protection is entitled to demand efficiency."—*Sir William Firth, Chairman of Richard Thomas & Co., British steel sheet and tinplate manufacturers.*

* * *

"In the last phase of capitalist chaos, the shoemaker has to make more and more new shoes; not to keep the feet of men out of the dust, but simply to keep the shoemaking machine out of the rust."—*G. K. Chesterton.*

* * *

"Democracy wants constant guarding and for us to turn to a dictatorship would be an act of consummate cowardice, of surrender, a confession that our strength and courage alike had gone."—*Rt. Hon. Stanley Baldwin.*

* * *

"No one, and least of all the President, has the slightest idea of where we are going or how, which is a hopeful sign. For we shall go in the end where public opinion directs us."—*William Allen White, publisher of the Emporia, Kansas Gazette.*

* * *

"A great commerce between two such similar nations as Canada and ourselves is natural and should exist. It will be a reproach to governmental initiative on both sides of the border if it is not restored."—*Henry L. Stimson, former U. S. Secretary of State.*

* * *

"I used to read lying on my stomach in front of the fire. Alas, that is no longer possible. There comes to us late in life a kind of senile convexity which disturbs that perfect equilibrium necessary to enjoy reading while lying in front of a fire."—*Rt. Hon. Stanley Baldwin.*

* * *

"Many persons think that when we delegate to the government a grant of power, we are trusting a benign old Uncle Sam who is all-wise and good and who will deal justly with his dear children. They do not realize that we are turning absolute power over to the ordinary politicians."—*Dr. William A. Wirt, of Gary, Ind.*

U.S. Stabilization Fund May Affect Canada

But Secrecy Surrounds Operation of $2,000,000,000 Development — Has Two Purposes

By DR. GAINES T. CARTINHOUR, New York University

NEW YORK.—U. S. Treasury action in formally setting up the $2,000,000,000 stabilization fund, provided in the Gold Reserve Act of January 30, has precipitated widespread discussion in financial circles as to what use will be made of the fund at this particular time and why there has been a delay of three months in taking this important step.

To officially establish the fund on the books of the Treasury Department a simple bookkeeping entry transferred $1,800,000,000 from the general gold stock of $7,755,670,740 to the "Exchange Stabilization Fund." The remaining $200,000,000 presumably went to the gold certificates fund and has been established as a credit with the New York Federal Reserve Bank, the Government's main fiscal agent, thus making it available for immediate expenditure. When the fund operates, gold certificates are given either to the Federal Reserve Banks or to the member banks. It has been set up out of the profits resulting from the devaluation of the dollar, which already amount to about $2,800,000,000.

May Affect Canada

Such a step may have important bearings on the commercial relation between the U. S. and Canada because of the close relationship between the dollars of the two countries. Canada finances its world business through New York exchange and settles two thirds of its international accounts with the U. S.

Deepest secrecy surrounded the transaction. Secretary of the Treasury Morgenthau said, "I have absolutely no comment to make." This policy finds a precedent in the secrecy with which the British Government handles all stabilization operations, and is considered necessary because publicity would make difficult, if not impossible, the accomplishment of desired objectives.

Two Main Purposes

The fund has probably been authorized for two main purposes at the present time: (1) to protect the dollar against foreign speculation; and (2) to protect Government bonds at home. Hitherto there has been no necessity to use it. The dollar remained fairly stable at the new 59.06 rate until recently, and Government issues have needed little or no artificial support.

The main object of the administration in taking this step at this time is to be in a position to vigorously support the dollar at home and abroad should the necessity develop. It has announced that no obstacles would be raised to the shipment of gold when the dollar is below the gold export point, but the fund will doubtless be used to bolster the dollar when the need arises and thus keep quotations above the export point (the point at which it becomes profitable to export gold rather than buy foreign exchange for the settlement of international balances). For a short time recently the dollar was below this level and either the export of gold or the selling of francs might have been necessary, but the dollar rebounded before such action was necessary. If inflation talk continues in Congress, periodic withdrawals of balances may result with further weakening of the dollar. Support would then be necessary.

Bond Tie-up For Future

In connection with the Government bond market it is probable that the formal creation of the fund relates rather to an anticipated Treasury effort to aid the market for its own bonds in the future, than supporting the present market. The Government already has several powerful agencies for assisting the market for its securities and does not hesitate to use them whenever any weakness is shown, but the available funds of these agencies are now almost exhausted. Purchases by these bodies alone since last November have amounted to approximately $390,000,000, acquisitions being on a large scale when the market has been weak and on a smaller basis when it has been strong. The President doubtless prefers a stable money policy for the time being in view of large refunding operations and new issues of securities by the Government for the recovery programme.

He has given no indication as yet that further reduction of the gold content of the dollar is contemplated but in some quarters critics look upon the creation of the fund as a precautionary move to facilitate driving down the dollar in foreign exchange should another devaluation be decided upon. The administration used the gold purchasing plan in the past, it will be recalled, for this purpose before the president formally devaluated the dollar.

Commodity Prices Cause Anxiety

Commodity prices have lagged and this has caused considerable anxiety in administration circles. The President has already indicated his rising doubts over the effects of the Warren dollar depreciation programme, and his opposition to further tinkering with the monetary programme at present.

The fund also serves as a weapon for the administration in trade bargaining and is considered an indirect warning that the United States is prepared to enter trade and currency warfare if other nations refuse to co-operate. No Treasury official has intimated anything about a currency war but it has been pointed out that the U. S. has a strong weapon available for immediate use.

External Stabilization

No information is available regarding whether external currency stabilization has been attempted or the creation of the fund has any connection with the desire for such stabilization. Treasury officials would not comment on the report that a currency agreement with Great Britain had failed and the U. S. was ready to act alone, but they do admit that the administration wanted to put the fund into form so it would be ready for immediate use in case it should be wanted. It is believed large operations under present circumstances are not anticipated.

Critics of the Administration contend certain activities of the fund will be part of the credit expansion programme now being pushed energetically. In 12 weeks member bank reserves have increased $1,500,000,000, and this group believe that the huge reserves now available will eventually be forced into use.

Certain well informed economists believe nothing will be done with the fund until the Treasury has observed the reaction to the step of creating it. The day after the announcement was made there is every likelihood that the fund was not drawn on, and yet the dollar went to par in terms of francs, and the government bond market was strong. Suggestion is admittedly an important factor in the foreign exchange and bond markets.

As Others See Us

Two Budgets Compared

Brockville Recorder-Times. — The Financial Post is characteristically outspoken in comparing the budget which was presented at Westminster by Mr. Chamberlain with that which was presented at Ottawa by Mr. Rhodes.

It is evident that we have still a very long way to go before we can begin to say—as Britain, Australia and South Africa are able to say—that we have attained a balanced budget or before there can be any perceptible relief from the taxation that rests upon us.

"Chief Organ of Bourgeoisie"

The Worker, Toronto:—The organ of Canadian Big Business, the mouthpiece of finance capital, The Financial Post, has devoted major space in its issue of May 5th to an attack upon the Workers' Unity League in which it expresses its enmity toward this militant working-class organization in no uncertain terms.

This should occasion no surprise. The Financial Post expresses the interests of the capitalist exploiters just as firmly, although not as frankly, as The Worker expresses the interests of the exploited workers.

Successful strikes mean more money in the pay envelopes of the workers and less money in the coffers of the wealthy profiteers. This crudely expressed fact indicates the main source of the antagonism between the position of The Financial Post and the position of The Worker, between the position of the Workers' Unity League and the position of the class which grows rich on the fruits of the workers' toil.

The Stevens Committee is composed of representatives of capital and it will report to a government headed by millionaires which has been most unsparing in the use of violence against strikers and has been the pace-maker in all strike-breaking activities. No hope for the workers from that quarter. On the other hand, the reformist trade union leaders have been the main support of the capitalists in their attack on wages, practically all the workers in the reformist unions have been forced to accept successive wage-cuts without a struggle.

The attack of the chief organ of the Canadian bourgeoisie on the Workers' Unity League is a portent which well may presage an attack on the W. U. L. such as took place on the Communist Party in 1930. The Workers' Unity League by no means plays the important, leading, revolutionary rôle which is being played by the Communist Party but its energetic work in leading the struggle of the wage-slaves in industry, supported to the hilt by the Communist Party, makes it a "menace" to the capitalists which they will likely seek to overcome by a frontal attack. Let all workers close their ranks in defence of the proven champion of their interests! Let us build the W. U. L. in every shop and factory.

Finally, let us strengthen the opposition of the workers in the reformist unions to the treacherous, strike-breaking officials who mislead them.

Who Owns the Banks?

Stratford Beacon-Herald. — Who owns the chartered banks of Canada? Are they owned by the financial moguls who haunt St. James Street in Montreal and King Street in Toronto? The Financial Post reports in its current issue that a survey of the lists of shareholders of all the Canadian chartered banks explodes the claim frequently aired that the banks are owned by millionaires.

The business of the banks is supervised by the boards of directors. There is considerable interlocking of directorates of banks, insurance companies, trust companies and large industrial corporations. So actually the immediate direction of the banks is in the hands of wealthy men. They may abuse their powers but the rank and file of the bank shareholders seem to be satisfied.

The primary functions of a bank are (1) to accept deposits for safe keeping (2) to lend credit and (3) to make a profit out of these operations. Certainly functions (1) and (3) have been ably carried out by our Canadian banks. The degree of satisfaction attending the performance of function (2) will be much argued about as long as the borrowers do not own the banks.

Who Own the Banks?

Edmonton Bulletin.—Ownership of the Canadian banks is more widely distributed than has been generally appreciated. An analysis of shareholder lists is made in the current issue of The Financial Post. It brings out much timely information.

The average holding is put at below 25 shares. Many of the largest are those by life insurance and trust companies, colleges, schools and religious bodies. There are more women shareholders than men but the latter have about twice as many shares as the former, the blocks that they own being larger. Only a minute proportion of the total is in the possession of those actively charged with the direction of the banks, so that the control which they exercise is a delegated one and can be taken away from them at any time that the shareholders wish.

Popular as the stocks of commercial banks are thus seen to have been as a form of investment, that of the central bank promises to be more so, in view of the large number of applications for its shares that have been received at Ottawa.

"Stop Me If You Have Heard This One"

Joan had been rather a naughty girl nearly all day. When her mother was putting her to bed at night, she said: "When you say your prayers, Joan, ask God to make you a good girl tomorrow."

With an inquiring glance up into her mother's face, Joan replied: "Why, what's on tomorrow?"

Other People's Views

Six Mistakes

Kitchener Record.—"There are six mistakes of life that many of us make," said a famous English author recently. Then he gave the following list: "The delusion that individual advancement is made by crushing others down. The tendency to worry about things that cannot be changed or corrected. Insisting that a thing is impossible because we ourselves cannot accomplish it. Refusing to set aside trivial preferences, in order that important things may be accomplished. Neglecting development and refinement of the mind by not acquiring the habit of reading. Attempting to compel other persons to believe and live as we do."

Financing Plan Needed

Montreal Star.—It is utterly useless to toss a few more millions to a provincial government if it is merely to be swallowed up in the swirl of recurring deficits and mounting debts. Attached to such assistance should be a definite and effective plan for saving the situation and ensuring both provincial and federal solvency. We can afford no more temporary patch-work operations. We want a plan—perhaps, a three-year-plan — which promises us financial salvation.

Internationalize Wheat

Northwestern Miller, Minneapolis. —We commend to the consideration of the world economic conference and to the defeated world wheat conferences honest exploration of the possibilities of the internationalization of wheat, in terms of free movement under all conditions, as a means, not only of improving present economic conditions but of approach to the ultimate goal of a beter, a safer and a happier world.

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Business Conditions in Canada

The Week in Business

May Eliminate Sugar Tax

THERE is a possibility that the balance of the sugar tax consisting of one cent per pound will be taken off around September, according to Canadian Grocer, Toronto. This may depend upon whether there is to be an election before the next session of parliament or not, Canadian Grocer states. If there is, it would be fairly certain that the tax would come off. If not, it would be a 50-50 chance.

The fifty per cent sugar tax cut goes into effect on May 20, instead of July 1, as originally proposed by the Minister of Finance, when he brought down the budget some time ago. The announcement followed representations by the confectionery, biscuit and chocolate industries of Canada and other interests who pointed out that uncertainty and delay were seriously disrupting their business. The tax now stands at one cent per pound.

* * *

France Hits at One-price Shops

WITHOUT the preliminaries of a mass buying enquiry or complicated trade code, the French Chamber of Deputies recently passed a bill virtually abolishing "one-price" shops in that country. The proposed law defines "one-price" shops as those in which goods are sold at retail principally or exclusively according to one or more scale of prices; those which have signs giving the impression that goods are sold at one price or at a fixed scale; those which advertise a limitation of price as "nothing over —— francs" and motor wagon shops which trade by similar methods.

Three months is allowed these organizations in which to conform themselves into ordinary retail establishments, and the new law forbids the starting of new enterprises or the opening of new branches by organizations already in existence. Various penalties for disobedience, including the compulsory closing of shops by order of the Tribunal are prescribed.

* * *

South America Trade Better

BUSINESS conditions in Latin America are steadily improving, according to reports from that area. More stability through generally improved exchange conditions is mentioned as one of the most important reasons for the betterment. Improvement in the cotton and sugar situation has resulted in a certain amount of buying by growers and their staff. A survey of the situation, appearing in the current issue of Commerce Reports of the United States Department of Commerce, states in part as follows:

"Argentina's first quarter exports were 39 per cent above paper peso values of last year, and the situation in April reflects continuation of this trend. Increased caution developed among Brazil's wholesalers and importers in making commitments for future delivery. The economic situation in Chile advances as mining production increases and the agricultural outlook becomes more hopeful. Peru's cotton output is expected to be above that of last season. Increased exports and sustained business improvement brighten the outlook in Jamaica and Trinidad. The business situation in British Guiana remains unchanged."

* * *

U. S. A. Envies Canada and U. K.

CASTING envious eyes on recovery in Canada and in Great Britain, the current issue of the business bulletin of the Cleveland Trust Co. points a warning finger to the great accumulation of manufactured goods of all kinds which have piled up in the United States during the past six months. On this theme the bulletin states in part as follows:

"Clearly business confidence has not been holding up as well as have the business statistics. The reason for this appears to be that the increases in the volume of production, transportation and freight, have not really been well distributed but have been instead mostly due to two main reasons. These are the continued expenditure of huge sums of federal funds in loans, subsidies and for public works and the greatly increased output of the automobile industry which has recently been producing each day new cars worth about $10,000,000.

"There has been a considerable increase in new construction financed by public funds, but little in building paid for by private money. Recent gains in employment in this country have been encouraging, but in Canada the rate of re-employment from the low levels of last spring, have been far more steady and rapid than our own. Our excess of public expenditures over governmental receipts has not been as great during the past few months as was expected but recovery in England is going forward steadily and rapidly and the national budget has been balanced and tax reductions are in process.

"We have most of the component requisites for sustained recovery, and world wide business improvement is under way. A record of business activity in this year of 1934 will furnish the decisive test and measure the efficacy of our national programme."

FINDS MARITIMES BUSINESS ACTIVE, PROSPECTS GOOD

Royal Bank Report Lists Favorable News of Area

Although business in the Maritimes during the first quarter of 1934 showed some decline after the extensive advance of the latter half of the previous year, as shown by The Financial Post business index, the general outlook continues excellent while certain areas have maintained or increased activity since the beginning of the year.

Lumbering activity is widespread in Nova Scotia and New Brunswick owing to a well-sustained export demand, particularly from Great Britain, it is pointed out in the current issue of the Royal Bank monthly letter. The severe weather of the past winter increased logging costs and the spring drive was late but this was offset to some extent by the increased employment which resulted. Lumber prices have been well maintained.

Apple Exports High

Reviewing conditions in other industries in the area, the Royal Bank letter states, in part, as follows:

"Stocks of potatoes and apples on the farms are small, and the remaining surpluses from last year are being disposed of at prices materially better than last year. Apple exports were 1,822,000 barrels this past year, compared with 742,000 barrels in the previous season. While spring work has been delayed by cold weather, rapid progress is now being made. The increased activity in the woods during the winter enabled the farmers to supplement their income from this source.

"There has been an improvement in the price of dried fish in the West in demand. Current supplies are abnormally low. The Lunenburg fleet reports a successful early spring trip. The catch per vessel was well above the average of the past few years. Prices for fresh fish are well ahead of those for last year.

Steel Plants Active

"The Sydney steel plant has been working on an order for 23,000 tons of soft steel products, mainly for export to England. Operations have been on a basis of 60 per cent of capacity, and it is anticipated that this scale will be maintained throughout the summer. The plant at New Glasgow, however, reduced operations. Textile mills are busier than a year ago, and some of the smaller industries have also increased operations. Paper mills continue active, the Mersey plant operating in excess of rated capacity. As a result of the activity at the Sydney steel plant, and the increased demand for coal from central Canada, coal mining operations have been expanded and it is expected that the total output for the current year will be materially higher than in 1933.

"A new all-time record of traffic passing through the port of Halifax was established in March, when 285,432 tons were handled. This is nearly double the volume reported in March, 1933. The total for the past three months of the year is 668,426 tons against 425,655 tons for the corresponding period last year. Shipments from Saint John also show substantial increases."

More Butter, Less Cheese

The production of butter in Quebec province during March amounted to 835,000 pounds, as compared with 784,912 pounds in March last year, an increase of 6.4 per cent. The cheese output during the same month was 70,000 pounds, as against 79,025 pounds in March, 1933, a decrease of 11.4 per cent.

Demand for Newsprint Keeps Setting New Pace

Canadian Output Last April 46.5 Per Cent Ahead of Year Ago — American Mills Also Share in Improvement

From Our Own Correspondent

MONTREAL. — Canadian newsprint mills are showing the lead to other forms of manufacturing in the manner in which production and shipments have increased over last year.

Following three years of declining operations, newsprint producers first began to feel the effects of returning business late last summer. While the increase in production during the closing months of the year was not sufficient to bring about any material increase in output for the whole year, output since the beginning of 1934 has been appreciably higher than for the same period last year.

Set Pace in April

Last April newsprint production by Canadian mills totalled 216,507 tons, according to the News Print Service Bureau. This contrasts with 147,759 tons in April last year, representing a gain of 46.5 per cent and the highest monthly output achieved by the mills since July, 1930.

For the first four months of this year Canadian newsprint production amounted to 789,457 tons, compared with 551,292 tons in the corresponding months of 1933, a gain of 43.2 per cent.

Gain in States

Production of newsprint paper in the United States totalled 83,652 tons last April, as against 74,507 tons in April, 1933, an increase of 12.2 per cent, with the total slightly below the 84,993 tons produced during the preceding month, owing to the fewer working days.

Four month output of the United States mills at 325,241 tons compares with 292,602 tons for the corresponding period last year, an increase of 10 per cent.

Combined production in the United States and Canada in April at 300,159 tons compared with 222,266 tons in the same month last year, an increase of 35 per cent.

For the four months period production in the two countries totalled 32 per cent more than for the same period in 1933.

Refrigerators Moving into Use On Larger Scale

Both in the United States and Canada refrigerator sales are astonishing even the companies that sell them. N.R.A. codes, higher wages and expenses, and higher costs for raw materials in the United States have caused higher prices. In fact first prices put out by companies for new models were confessedly guess-work until bearing of new conditions could be judged, and the new prices therefore represent adjustments. There have been moderate price adjustments in Canada as well because steel and other materials used for refrigerators cost more to get. Nevertheless prices still remain moderate and demand has been growing.

Such companies as Canadian General Electric, Canadian Westinghouse and Kelvinator Corp. of Canada are understood to be breaking all recent records for sales and for activity in construction. In fact, they find it difficult to keep up with the present demand and officials see no reason to doubt but that the sales will keep up well into the summer at the present high rate.

The Canadian Frigidaire factory at Toronto has been placed on a 24-hour schedule, according to the Canadian Frigidaire manager. Even in Alberta this company reports sales in 1934 to date ahead of all 1933 and other provinces show gains.

Service Stations, now called International Metals, is reported to be getting into this market in its refrigeration division in a very aggressive and successful way.

Famous London Firm Celebrates Centenary

London boasts many pioneer families whose ability and hard work have done much to place that city in its position as the financial and business capital of Western Ontario. Of these families, none has a more illustrious record than that of Elijah Leonard, founder of E. Leonard & Sons which this week celebrates its centenary.

One hundred years in one business in one location is a record to which anyone might point with pride, but four generations of the Leonard family have accomplished much more than that. During the past ten decades the company's plant has expanded until it is one of the most important manufacturing units in the area and the company ranks among the chief boiler and engine producers in the Dominion.

The influence of E. Leonard & Sons is felt throughout Canada, sales offices being maintained at Montreal, Toronto, Saint John and Winnipeg. Representatives handle Leonard products in England and the West Indies.

Col. Ibbotson Leonard, D.S.O., B.Sc., M.E.I.C., M.A.S.M.E., present head of the firm, did not attain his position merely by virtue of inheritance. In his own right he is a well-known engineer and a frequent contributor of papers on technical subjects to Canadian engineering societies. He is a director of the Huron & Erie Mtge. Co. and the Canada Trust Co.

GAS PRICE WAR IN TORONTO AREA PARTLY SETTLED

Motor Fuel Up Two Cents This Week by Major Companies

With the advent of spring and summer gasoline business the worst severity of the gasoline price war in the Toronto truck-tank area of Ontario from Bowmanville to Sarnia and north to Aurora has passed with prices of gasoline moving up May 14 two cents a gallon on popular brands. Imperial Oil, which in January precipitated the situation by putting on the market a blue gas which sold at 5 cents a gallon less than its three-star gasoline, again took the initiative by raising the price of the blue gas two cents a gallon and reducing the price of its three-star gasoline by three cents a gallon. The two gasolines are therefore now offered at the same price and it is probable that the blue will soon disappear, now that the price difference has disappeared.

Fall in Line

As all the other major companies such as British American Oil, Cities Service, Supertest, Shell and McColl-Frontenac, were obliged to reduce one or more brands in price last January in the Toronto truck-tank area in order to compete with Imperial Oil, they are also taking advantage of the Imperial Oil rise to get back part of the lost revenue in this district. The price of these popular brands is still three cents a gallon under the price of last January.

One estimate was that in this area where there are approximately 200,000 cars, there has been a saving to gasoline users of $10,000 a day.

The January price cut was brought about by the fact that various contracts for supplying so-called independents with gasoline were being used by the latter to undercut the prices of regular service stations. It was stated at the time that an unfair advantage was given certain truck owners who chose the most popular centres, paid low wages to tank operators and operated on a spread impossible to any organization paying good wages. The large companies said they had to protect their own service station operators.

HUDSON BAY CO. FEATURES SALMON FROM ATLANTIC

Gives British Practically Fresh Fish by Wet-Freezing Process

Hudson's Bay Company is making a most interesting contribution to Canadian development by advertising extensively in Great Britain the food value of the Atlantic salmon which find their feeding grounds off the coast of Labrador, Hudson's Bay and Newfoundland.

In a little pamphlet entitled "Hu-Bay Newfoundland Salmon" the company explains that every summer the rivers teem with salmon of the same species as the Scottish salmon and states that they are the finest in quality and the richest flavored salmon in the world.

Has Factory Ship

The company has a floating factory ship, the S.S. Blue Peter, specially fitted to deal with salmon on the spot. Every summer the S.S. Blue Peter proceeds direct to the salmon fisheries so that directly the salmon are caught they can be brought to the Blue Peter and submitted to the company's extremely rapid wet-freezing process, which maintains the fish in exactly the same condition as when alive. It is stated that this new system is an immense improvement upon the old-fashioned cold-air method. None of the tissues or fibres of the flesh are ruptured, and when the salmon is thawed out and cooked, it is claimed that it is difficult for even the best experts in the trade to distinguish any difference in quality or flavor from the finest fresh salmon.

It goes on the British market just as it is caught because it is always processed with the head on. The stamp of "Hu-Bay Newfoundland" is on the side of each fish. It cuts a salmon-pink color and when cooked it is indistinguishable from the best Scottish salmon.

Most of the salmon eaten in the British Isles to date has come from the Pacific Coast. These Pacific salmon are not of the same species as the Scottish salmon as the heads of the former are very large. The heads and tails of Pacific coast salmon are removed before being packed. The "Hu-Bay" salmon are unloaded at Southampton.

The company is aiding the sale by incorporating in its little pamphlet many recipes by which housewives and hotel and restaurant chefs may make use of the salmon.

Business Briefs

Gasoline Sales in February were slightly below those of February a year ago owing to severe winter weather in east.

Sugar Manufactured in the four weeks ended April 21 amounted to 43,305,372 pounds as compared with 46,454,674 pounds in the same period of 1933. Manufacturing was curtailed owing to hand-to-mouth buying by the trade before the budget was announced.

Car Loadings in the week ended May 5 totalled 43,453 cars, an increase of 292 cars over the previous week and 6,044 cars greater than in the corresponding week of 1933. The adjusted index number, however, declined from 74.93 to 73.86.

Crude Petroleum production of Canadian wells totalled 130,046 barrels in March, the highest monthly production since June, 1931, and compared with 87,215 barrels in March, 1933.

Asbestos Production Gains

Asbestos production in 1933 showed considerable improvement over the preceding year, according to a preliminary report of the mineral production of Canada. During the first three months of the year production was between five and six thousand tons per month; in April it rose to 8,000 tons, in May to 11,000 tons and improved each month until November, when it stood at 20,463 tons. December output was less at 17,326 tons.

Slight Decline In Living Costs Shown in April

Living costs moved slightly downward in April due to a decline in the retail prices of foodstuffs, according to the compilation of retail prices, rents and cost of services prepared by the Dominion Bureau of Statistics. This decrease was the first break in an advance which started in October last year. The index was 79.6 as compared with 80.2 in March and 78.1 in April a year ago.

Lower prices for eggs were the chief cause of the decline, the average for first grade quality dropping from 40.5 cents a dozen in March to 27.1 cents a dozen. Meat prices were more or less steady, slight advances in some cases being offset by declines in others. Milk, butter, potatoes and tea were quoted slightly higher. The index dropped from 72.9 to 71.0. A year ago is was 61.3.

The gain in the fuel index from 87.3 to 87.6 on price advances for coke and wood was the only other change among the component parts of the general index. Rental and clothing indices remained at the March level.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Robert's Canneries, Ltd. has been established at Bayview, near Pictou, N.S. The lobster cannery, which will be operated on a co-operative basis with fishermen, has a capacity of 48,000 pounds.

H. J. Heinz Co. plans a large addition to its Leamington factory, the addition to be completed before the tomato canning season next fall. The cost will be in the neighborhood of $125,000, according to the Border Cities Star.

Warwick Salt Co. has authorized commencement of work on a new addition to its plant near Forest, Ont., Canadian Press reports.

Ideal Rubber Co. plans establishment of a plant at Eastview, Ont., and the town council has voted to purchase property and prepare it for this concern, according to the Ottawa Journal.

Soda Lumina Chemical Corp. of Canada is negotiating for a plant in Eastview, according to the Ottawa Journal.

Zenith Healthware Products commenced operations in Brantford recently, the Brantford Expositor reports. H. M. Reed is manager. Chief products include heavy aluminum cookware, candlesticks and lamps.

Greater Windsor Receiver Sells Garage Property

Royal Windsor Garage, formerly part security for bonds of Greater Windsor Development Co., was sold late in 1933. The transaction was arranged by London and Western Trusts Co., receiver and manager. The purchaser, J. C. Williams, assumed tax arrears, cancelled $13,500 of coupons and $24,250 principal amount of bonds as consideration in the deal. This reduced the amount of 6½ per cent serial bonds outstanding from $365,000 to $340,750.

The security remaining for the bonds consists of the Royal Windsor, a four-story apartment in Windsor, Ontario. This apartment is stated to be well rented. But all available funds are being applied to taxes, and there is, therefore, no prospect of any distribution to bondholders, it is understood.

Commodity Prices

AFTER a week during which almost all commodities declined, opening of the current week saw some of the lost ground regained. The downward move during the past week was led by wheat as the prolonged drought, which had quickly raised prices at both Chicago and Winnipeg, was partially broken. Metal prices were steady at the opening of the current week while cotton staged a slight rally.

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$6.25	$6.75	$5.75
Copper, lb.	.08½	.08½	.07
Cotton, lb.	.1145	.1120	.0885
Rubber, lb.	.13	.1525	.0498
Sugar, raw, lb.	.0283	.0280	.0330
Silk, lb.	1.82½	1.30	1.57½
Wheat (Man.) bu.	.70⅛	.66⅛	.64⅞
Hides, lb.	.10½	.11	.10
Coffee, lb.	.10⅝	.10⅝	.08½
Weekly Indices			
N. Y. Annalist	111.1	109.4	89.3
Fishers'	75.2	74.0	†63.6
N.Y. Journal of Comm.	74.9	74.9	59.5
Crumps (Brit.)	64.4	64.5	†62.4
U. S. Labor	73.4	73.5	61.9

†Average 1933.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (Apr.)	79.6	80.2	78.1
W'sale (Apr.)	71.1	72.0	65.4
U.S. Labor (Mar.)	73.7	73.6	60.2
Gt. Brit. (Mar.)	70.0	71.1	65.9

Note: Indices all on base 1926 = 100, except N. Y. Annalist which is 1913 = 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degrees centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W. Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Canadian Business Indicators

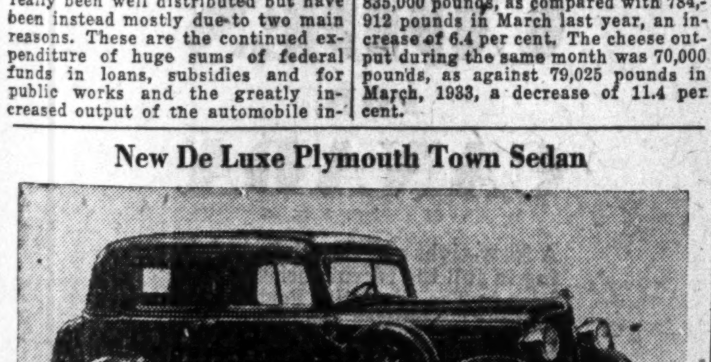
Compiled by The Financial Post

▲Denotes new figures this week.

	Weekly Latest 1934	Weekly Latest 1933	Cumulative Total Jan. 1 to date 1934	Cumulative Total Jan. 1 to date 1933
Transportation—				
Car loadings (May 5)	▲43,453	37,409	748,199	600,919
C.P.R. gross earn. (May 7) $	▲2,249,000	2,041,000	38,996,000	33,539,000
C.N.R. gross earn. (May 7) $	▲3,290,932	2,617,842	54,104,376	44,306,275
Business Conditions—				
Weekly index D.B.S. (May 5)	▲93.8	78.8	......	......
Failures, No. (May 5)	▲30	29	405	679
	Monthly			
Business Conditions—				
Financial Post index (Mar.)	91.0	69.9	......	......
Transportation—				
C.P.R. net earnings (Mar.) $	1,518,929	877,495	3,226,439	1,297,479
C.N.R. net revenue (Mar.) $	1,598,959	‡255,307	‡65,003	‡4,023,243
Iron and Steel (March)—				
Pig iron production (tons)	12,101	......	54,977	35,353
Steel ingot prod., (tons)	72,923	11,212	191,709	64,352
Automobiles (Number) March data—				
Passenger Car: Sales*	4,319	2,730	7,252	5,419
Factory output	12,272	5,927	24,319	11,873
Trucks and Buses: Sales*	560	271	1,089	654
Factory output	1,908	705	5,336	1,415
Exports (Mar.)	3,906	1,554	10,999	2,050
Construction—				
Building permits (Mar.)	1,089,481	934,555	2,663,595	3,016,339
Contracts awarded (Apr.) $	11,469,200	8,608,700	31,324,700	8,312,000
Newsprint (tons)—				
Production (Apr.)	▲216,507	147,759	789,457	551,292
Exports (Mar.)	239,442	138,006	559,181	373,230
Sugar (lbs.), (Feb.)—				
Imports	19,922,700	11,998,200	30,674,500	20,620,100
Melting & shipments	22,484,009	57,890,777	59,174,832	95,698,313
Manufactured	21,360,155	55,432,178	63,362,260	103,082,420
Flour (bbls.)—				
Production (Mar.)	▲1,064,428	1,004,787	3,208,976	2,708,793
Wheat flour exports (Mar.)	493,327	490,270	1,270,201	1,220,688
Trade (March)—				
Imports	47,521,158	32,935,623	113,504,466	80,890,870
Exports	58,346,445	37,161,048	142,840,865	95,120,389
Wheat exports	10,103,240	14,815,705	23,704,237	40,444,843
Employment (Apr. 1) D.B.S. Index—				
All industries	91.3	76.0	......	......
Manufacturing	88.1	76.0	......	......
Electric Power Output (March)—				
Total monthly (000's omitted)	1,795,616	1,371,060	5,136,857	4,067,301
Aver. daily	44,227,000	57,923,000	....	....
Other Industrial Indices—				
Lumbering: (March)—				
Plank & board exports	131,349	60,460	330,279	137,340
Boot & shoe prod. (Mar.)	▲1,682,010	1,539,487	4,036,725	3,661,661
Crude petrol. imports (Mar.)	73,555,000	49,336,328	175,526,586	121,977,197
Cotton imports (Mar.)	14,346,000	6,374,000	33,845,000	21,165,000
Raw rubber imports (Mar.)	▲7,640,000	2,496,000	15,647,298	7,790,427
Coal imports (Mar.)	714,902	497,908	1,689,447	1,439,386
Finance—				
Failures: (D.B.S. figures)—				
Number (Feb.)	▲146	214	293	420
Liabilities (Feb.) $	▲2,039,134	3,947,202	4,048,222	7,997,131
Bank debits †(Mar.) $	2,488,914	1,887,000	7,175,276	5,676,153
Bond sales (Apr.) $	31,983,900	13,544,538	105,285,598	34,931,876
Life insurance sales (Mar.) $	32,986,000	32,046,000	90,384,000	91,936,000
Automobile Financing—				
Used cars (March) $	915,486	854,917	1,870,567	2,088,330
New cars (March) $	1,214,061	919,287	2,201,345	1,908,201

†—000's omitted. *Eastern Canada sales only. ‡Deficit.

New De Luxe Plymouth Town Sedan



This new addition to the Plymouth line for 1934 features the built-in trunk at the rear, which is standard equipment.

BROCK Stylagram

18-5-34 F-L-A-S-H

RE VANITY BLENDS MAKE MEMO, SEE HATTER TODAY STOP SMART BROCK STYLINGS TO BLEND WITH NEWEST SUITINGS STOP TEN BEAUTIFUL SHADES OF GREY BROWN GREEN BLUE IN NEW LIGHT WEIGHT FELT

--- WOLTHAUSEN—BROCKVILLE

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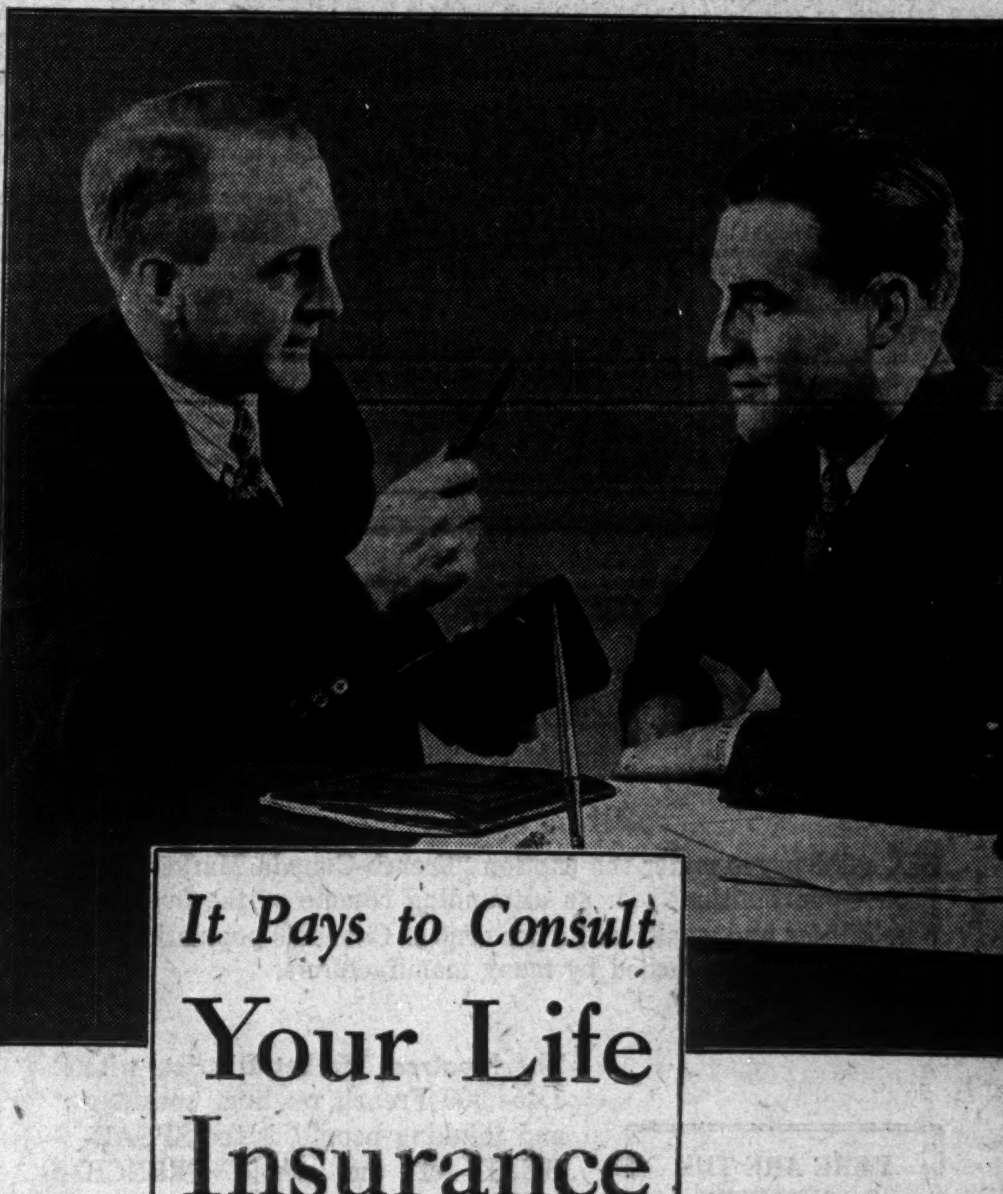
TORONTO

CALGARY WINNIPEG WINDSOR BRANTFORD

FINANCIAL INDEPENDENCE WEEK IN CANADA, MAY 28 - JUNE 2



It Pays to Consult

Your Life Insurance Man . . .

IN actual dollars and cents, it will pay you to consult an experienced Life Insurance man.

He can give you expert advice on plans whereby you and your family can be sure of having money when you need it most.

He offers you an absolutely safe investment for your savings.

The experienced Life Insurance man is as important to you as your doctor—your lawyer—or your banker. He is trained and qualified to solve your financial problems.

That is why we suggest that you welcome your Life Insurance man when he calls upon you. He has a message of vital importance to you and your family—a message concerning your own financial independence; the protection of your family; the education of your children; the security of your business.

You owe it to yourself and to those dependent upon you to consult your Life Insurance man now.

L-734

Life Insurance

Guardian of Canadian Homes

One of a Series of Messages Sponsored by Life Insurance Companies

BURDENED WITH RESPONSIBILITIES

It is unfair to your friends or relatives to burden them with the responsibility of managing your Estate. This responsibility placed in the hands of a Trust Company, where an especially trained personnel lends its accumulated knowledge and experience to the management of the Estate, constitutes the greatest safeguards for your heirs.

MONTREAL TRUST COMPANY
61 Yonge St., Toronto
J. F. HOBKIRK, Manager

Easy Washing Machine Moving to Larger Plant

Easy Washing Machine Co., Ltd., having leased the former plant of the Riley Engineering & Supply Co., Ltd., at Ronald & Shell Avenues, Toronto, will move from its present location at 187 Geary Avenue to the new premises early in June.

According to F. C. Dynes, general manager, a marked increase in export trade and increasing activity in the Canadian market made it necessary for the concern to secure a more suitable plant in order to increase production.

In addition to its manufacture of washing machines, the company is commencing the production of electric ironing machines as the result of an arrangement with a large United States manufacturer of these appliances.

Woods Mfg. Co. Doing More Trade

From Our Own Correspondent

MONTREAL.—Woods Manufacturing Co. is reported to have been sharing in the general improvement in the textile trade throughout Canada. A subsidiary, the Empire Cotton Mills, at Welland, Ont., has been operating night and day.

The company has derived material benefit from the prosperity in the gold mining industry. The Ostend, N.Y. plant has noted an appreciable pick-up in sales of sleeping bags.

Irving Oil Co. Cut Down Directors

From Our Own Correspondent

MONTREAL—Irving Oil Co., which is understood to be controlled by Imperial Oil Co., has decreased the number of directors of the company to five.

The Irving Oil Co. was brought into being a few years back. Its operations are confined to the Maritime Provinces.

Frontenac Oil Limit Directors

From Our Own Correspondent

MONTREAL—Frontenac Oil Refineries, subsidiary of McColl Frontenac Oil Co., has reduced the number of directors of the company from seven to three.

CANADA'S STAND JAPAN - U. K. WAR HAILED BY B. C.

Canada Would be Loser If Trade Cut Off

From Our Own Correspondent

VANCOUVER. — Canada would be the chief loser in any arbitrary measure to restrict Japanese imports at this time if such action were to threaten tariff retaliation across the Pacific.

That is the feeling of British Columbia manufacturers and shipping men who have come to regard Japan as one of their most valuable customers. For that reason they were somewhat relieved to learn that the revival of the British trade war with Japan over textiles and other products in the United Kingdom and in the crown colonies would not necessarily lead to sympathetic action in Canada.

Canada Would Suffer

Canada sells far more to Japan now than Japan sells to Canada, and for that reason Canada stands to lose far more than Japan in the event of an economic conflict between the two nations. Canadian raw or semi-manufactured materials sold to Japan last year were valued at $16,250,000.

While low-priced Japanese goods occasionally escape the customs inspector and undersell Canadian products to the detriment of domestic industry, anti-dumping laws have been effective in curtailing such imports, and continued vigilance on the part of Canada's tariff builders will probably protect this country from the often threatened flood of cheap Asiatic merchandise.

Britain's Action Feared

Should the Anglo-Japanese trade war have a far-reaching effect there is a possibility that antagonism might be stirred against all Empire countries in Japan, and in that event Canada, of course, be affected. British Columbia would be the principal sufferer, for Japan has been in the habit of buying large quantities of British Columbia lumber, pulp and paper, fish and other products, while of course all the Canadian grain bought in Japan passes through British Columbia ports. However, not only British Columbia shared in this trade with Japan.

Practically all of the 52,000 tons of pulp purchased in Canada by Japan was from B. C., and all of the lumber bought, to the value of more than $3,000,000. This province sold most of the 32,000 tons of newsprint that went to Japan, and nearly all of the 16,000 tons of zinc and 35,000 tons of lead, the latter being handled chiefly by Consolidated Mining & Smelting Company. However, Japan bought more than 7,000,000 pounds of nickel and 3,000,000 yen of aluminum; also asbestos, scrap iron, cheese and many other products which originated in the eastern provinces, and more than 4,000,000 bushels of wheat came from the prairies.

New Books

Economists, Posed Riddle, Find It Hard to Solve

Columbia University Group Aver Revised Monetary System and Economic Planning Are Needed

What is the great economic or social problem of today? Is it not to find a solution for that problem which is implied in the phrase "the paradox of poverty amidst plenty."

It is simpler to pose the problem than to answer it. Most of the answers that have been presented by the thousands of pamphleteering economists and other writers for the past four years have been of minor value because they have assumed the problem to be more simple than it really is; or because they have felt that to replace one cog in the complicated economic machine with a newer and better cog would cause the whole machine to function more smoothly.

Two Elements in System

Something over a year ago, Dr. Nicholas Murray Butler, president of Columbia University, appointed a group of 18 economists, engineers and other students to examine the major problems of the economic depression. Believing that the problem of "poverty in the midst of plenty" was the most urgent of all present problems, he suggested study of the relation of consumer demand to productive capacity. "Over-flowing barns and impoverished farmers, surplus of raw materials and idle plants, new triumphs of technological skill and new multitudes of unemployed workers, all point to some fundamental failure of that plan which seeks to adjust the demand with supply to the ordinary medium of prices," said Dr. Butler. Two parts of our economic mechanism, he said, the technique of production and the technique of exchange, have evolved, not in inter-dependence but in semi-independence, each of the other, with the result that they do not function in harmony for the service of society. This, Dr. Butler pointed out, is a fundamental problem which did not come into being with the present world-wide depression and it is not one which will be solved by the passing of that depression.

Survey by Professors

The economic group appointed by Columbia was headed by Prof. Robt. M. MacIver, formerly of Toronto University, now Professor of Political Philosophy and Sociology in Barnard College at Columbia. Of his 17 associates, seven retired during the course of the study, for one reason or another, but the remainder have now reported and their analysis of the production and price systems at work has been published under the heading of "Economic Reconstruction." It is one of the most important volumes produced during the depression and will undoubtedly serve as a guide for much additional study by other economists. The report is not easy reading; there is a classical pedanticism in its style which obscures somewhat the clarity of the ideas presented. Most of the illustrations cited deal with purely American conditions. Nevertheless, the elements in the striking contrast between the advance of the world's productive powers and the recent decline in its economic well-being are set forth in masterly fashion. If only the panaceaists and the quacks, with their pat cures for the depression, could be made to read this book twice over before they write or speak a line there would be a more humble and contrite approach to our economic problems.

The central tragedy of our present position, as these authors make clear, is that the ordinary output of industry could be multiplied several fold and thus the standard of living of large masses of the people could be raised to a very high level if the better balance could be brought to the economic system. Yet many of our attempts to speed recovery are bound to make the problem worse. The committee sees no net improvement to the world in economic nationalism or in schemes to raise prices or curtail production. They regard the illusion that a deliberate limitation of output, because it raises prices, helps recovery as a very dangerous policy. A general rise in prices is a sign of prosperity only if it reflects increased demand and increasing purchasing power.

Case for Planning

After outlining what they consider the chief elements of an economic structure in equilibrium, they outline the steps which they consider necessary to a restoration of a workable and generally satisfactory international monetary standard, and finally close with a statement of the case for economic planning.

Their general conclusions may be briefed in the following language:

"1. We find considerable evidence pointing to relative failure, even in times reputed prosperous, to make the most effective use of the capacity for production at our disposal.

"2. Severe fluctuations in business are not only a main source of waste but a condition standing in the way of reduction of other causes of economic waste.

"3. The mitigation of these fluctuations requires the establishment of a balance among the economic factors which, unless controlled, are apt to get out of adjustment and thus induce grave disturbances of business activity. Some factors are subject to sharp fluctuations, others are unduly rigid. Economic equilibrium requires greater stability in the former and greater flexibility in the latter. Automatic forces can no longer be exclusively relied upon; for the distinctive differences between highly rigid and highly flexible elements is itself a result of processes in a system of laissez faire.

Gold Standard Inadequate

"4. The view that the gold standard operated as an automatic regulator of prices must be considerably qualified. In principle, it works automatically; in practice, it has been subject, especially in more recent times, to increasing controls exercised through central banks and other agencies. There is no longer a clear-cut distinction between a gold-standard currency and a managed currency.

"5. Under recent conditions the free international movement of gold demanded by the gold standard proved incompatible with the desire of each country to control its price level and credit policy in terms of domestic requirements. Any country which sought to arrest a deflationary trend, was either gravely restricted by the danger of international gold movements against it or forced off gold altogether.

"6. The need for a reformed monetary system is emphasized by these recent experiences. Such reform is needed both to aid recovery from the depression and as a basis for the solution of the problems before us.

Ask Price Rise

"7. For immediate needs, we regard a rise both of domestic prices and of world prices as highly desirable. The rise of prices required is one which reflects increased business activity and not one which depends on monetary manipulation. We lay particular stress on the timing of the programme of public works.

"8. For permanent needs, we are impressed with the requirement of a better and more stable balance among a variety of economic factors—between costs and prices, debts and income, saving and investment, and so forth. The achievement of this end is a complicated task for which controls must be progressively worked out in the light of experience and research.

"9. Establishment of economic equilibrium is a necessary condition of effective national economic planning. We regard economic planning as a necessary expedient. The contrary doctrine of economic laissez faire assumes a situation of individualist competition and of free price flexibility which does not now exist.

Their Recommendations

"On these premises we put forward the following specific recommendations:

"1. In the administration of the recovery programme special care should be taken to ensure that the code-making facilities of the National Recovery Act shall not be made a means for the competitive limitation of output by organized industries.

"2. The return of the United States to an international gold standard should be conditional on reforms in its working, including an agreement by central banks to maintain a reasonable stability of gold itself.

"3. Monetary stabilization should be sought without delay.

"4. Measures should be taken to maintain an equilibrium in the cost-price structure and in particular to maintain a moving balance between saving, consumption, and capital expansion.

"5. A national plan for the increase of average wage rates in proportion to the cost reductions attained through technological advance or other means.

"6. Public works programmes should, as a permanent policy, be planned and budgeted sufficiently far in advance to allow them to be conducted on a flexible schedule, being expanded and contracted, in accordance with the needs of the business situation.

Unemployment Reserves

"7. Establishment of a system of unemployment reserves, or more broadly consumers' reserves, to accumulate in prosperous times and to be drawn upon when symptoms of growing unemployment or slackening business activity appear.

"8. To regulate large-scale corporations and such organizations as exert any degree of monopolistic control over prices. This regulation should be directed not only to the price-fixing policies of such organizations but also to their methods of financing, accumulating and investing reserves, and to the various questions of public interest that arise out of the growth of the modern corporation and the consequent separation of ownership and control.

"9. It is no less necessary to regulate all organizations which are concerned with the supply of capital and credit or with the business of investment.

"10. Internationally, the primary requirements are the raising of world prices, the reduction of trade barriers, and the reconstruction of a world monetary system. There is no essential opposition between these requirements and the requirements of national policy. Economic nationalism should not be regarded as implied in a planned national economy. The United States should pursue agreements for reciprocal tariff reductions.

"11. Subject to prices being raised sufficiently internally, the United States should go on record as ready to co-operate with the leading nations in a plan for the reconstruction and maintenance of an international monetary standard.

"12. That a National Social-Economic Council, of a purely advisory nature, should be set up and equipped with adequate facilities for research, for the purpose of continuous and concentrated investigation of the main problems of economic planning."

There are numerous supplementary statements and reservations by individual members some of which are particularly apt in pointing out that the suggestions made, however sound in theory will be difficult to work out in practice.

"Economic Reconstruction" is published by the Columbia University Press, 2960 Broadway, New York, at $3.

"Empire in the East"

As one of the Pacific countries, Canada has a vital interest in the great drama now being played out on the Far East stage. If war breaks out in the Orient, Canada could conceivably refrain from participating in it, but Canada could not possibly avoid feeling its impact. Quite apart from the question of war in the near future, our economic policies and our social philosophy will be more and more affected by what is happening and by what will happen in Japan, China, Manchoukuo and Soviet Siberia.

"Empire in the East," a symposium edited by Joseph Barnes, is an illuminating and fascinating picture of the economic and social conflict in Asia. The American Council of the Institute of Pacific Relations invited ten writers, each of whom could write with authority on some aspect of the Far East problem to confer together and outline a book on what was going on across the Pacific. Each writer took but one phase but, by means of discussion and careful editing, the ten different chapters have been written to fit together.

Owen Lattimore tells the story of China and outlines the view he expressed in an address in Toronto recently. He distinguishes between China proper and the loosely-knit Chinese Empire, including Mongolia, Chinese Turkistan, Tibet and Manchuria. China itself has always considered the residents of these outer countries as barbarians. He outlines the cycle of conquest and absorption in China's relation with the Mongolian and other barbarian tribes. He does not consider that the outer areas of China ever really "belonged" to China and if this viewpoint is accepted, of course, it radically alters one's view toward the Japanese conquest of Manchoukuo.

Pessimistic in Japan

Prof. John E. Orchard describes the Japanese dilemma. With the population bursting the boundaries of the little island, with the Japanese people unsuited to settlement on the mainland, Japan must find its future in industrialization. This means that it must be able to find world markets for the products of its labor in order to pay for the foodstuffs it will have to import. Surveying the industrial possibilities of Japan, Professor Orchard is very pessimistic as to Japan's future, particularly in view of nationalist policies elsewhere in the world.

Joseph Barnes, who edited the book itself, also writes on Soviet Siberia and outlines the policy of development that has been going on in that country under the Soviet regime almost unnoticed by the rest of the world.

After other authorities, such as Grover Clark, Pearl S. Buck, Prof. Tyler Dennett have discussed other phases of the Far Eastern problems, Nathaniel Peffer discusses the key question of peace or war. He concludes that war is likely to come, not because any nation is planning for war in the Far East, but because nations are pursuing policies that must inevitably lead to conflict. He feels that the Far East is certain to have a tremendous social impact on such countries as the United States. If the United States wishes to extricate itself from the Far Eastern welter it must abandon all pretences of imperialism in foreign trade and investment. But to do this it must, he feels, adopt a new form of economic society suitable to a self-contained nation.

"Empire in the East" is published in Canada by Doubleday, Doran & Gundy at $3.

"Britain's Crash and After"

"Britain's Crash and After" by Arthur S. Baxendale is another little volume pleading for "sane currency." There has been a plethora of such documents in the post-war years. Written in the form of a series of letters to a young man the volume starts with the major premise that the world has a ramshackle currency system and that the advice of bankers and monetary experts is not worthy to be taken on the subject of finance. The author proposes a new currency system for Great Britain, one that is a little too complicated for summary in a brief review.

"Britain's Crash and After," is published in Canada by the Macmillan Co. of Canada, 70 Bond Street, Toronto, at $1.25.

Paper on Waterflow

Volume 64 of the Water Resources Papers which deal with the surplus water supply of Canada, has been published by the Dominion Water Power and Hydrometric Bureau of the Department of the Interior. This number contains the results of investigations made by the Dominion Hydrometric survey during the climatic years October 1, 1927, to September 30, 1929, for Ontario and Quebec.

Report is published both in English and French in the same volume, which contains a short explanation of the purpose and scope of the work and the 190 pages of stream flow data. Copies of the report may be had free on application to the Bureau.

N. S. LUMBERMEN TO PLAN CAMPAIGN FOR U. K. MARKET

Meeting of 800 Operators Called for May 29 at Halifax

By Staff Editor

HALIFAX.—One of the most important meetings in the history of the lumber business in this province is scheduled for May 29 in this city. Invitations have been sent to some 800 lumber operators throughout the province to attend a one-day conference under the auspices of the Nova Scotia Lumbermen's Association.

Chief item of business will be discussion of the Robertson report on lumber, pulpwood and pitwood markets in Great Britain submitted to the Government early this year by W. McL. Robertson, special representative appointed last year to investigate the British market from the viewpoint of Maritime lumber business. It is expected that the scope of the lumbermen's Association will be considerably extended and enlarged to embrace all these engaged in the production and manufacture of lumber and lumber products in the province.

Market for Small Woods

Chief aim of Mr. Robertson was to find ways and means of extending the market for Maritime small woods in Britain and also to ascertain why prices being obtained for Maritime sawn timber were so low. The spread between Maritime and Russian timber ever since the Maritimes actively entered the British market a year or more ago has been very marked with an adverse differential of from 40 per cent to 50 per cent against the Maritime product.

Chief criticisms against the Maritime product were traced to inefficient production and marketing methods. Lack of uniformity of products and lack of organization on the part of Eastern Canada operators were also prime reasons for the continued low price received by Canadians for their product. Another important difficulty was that in most areas Eastern Canada spruce was quite unknown. This was glaringly true in the case of the London county council who up until now have never included eastern spruce in their specifications as a wood for housing purposes because it has never been tested in the official laboratories and its inclusion has never been sought among the list of Empire woods which are required to be used in work done under the jurisdiction of that body.

Seek Solutions

Due to representations made by Mr. Robertson and subsequently by Premier Tilley, of New Brunswick, now returning from a similar mission on behalf of his province, it is expected that eastern spruce will now be included in the specifications and a good market opened for the Canadian product if Maritime producers and distributors can organize themselves sufficiently well to take advantage of the opportunity.

It is in the hope of finding practical solution to such problems as these that the lumbermen of the province will meet here in ten days time.

More Paper Producers Increase Wage Rates

From Our Own Correspondent

MONTREAL—Consolidated Paper Corp. has announced a general wage increase of 10 per cent retroactive from May 1. Plants affected are the Wayagamack mill in Three Rivers, the Belgo in Shawinigan Falls and the Laurentide mill at Grand'Mere.

This increase is in line with the action taken by other paper companies, following upon conferences held between the company and the workers about a month ago. The Canadian workers insisted upon a wage increase along the lines of that recently put into force in the American mill.

The St. Lawrence Paper Co. has increased wages of all employees 10 per cent retroactive to May 1. The decision will affect about 425 employees here.

N. B. Expects More Potatoes

With ideal soil conditions and higher prices for potatoes, New Brunswick expects heavier plantings and a higher yield this season.

Caution or Accident?

The grim warning "Drive Slowly, Death is so Permanent!" has been heeded by thousands of drivers over dangerous roads.

On this continent accidents are now the largest single cause of the Crippling, Dependency and Destitution which call for relief.

Here are listed the twelve most frequent means of accidental injuries in the order of their fatality:

1. Automobiles
2. Falls
3. Drownings
4. Burns
5. Railroads
6. Poisonous Gases
7. Firearms
8. Machines
9. Mines and Quarries
10. Fires
11. Poisons
12. Suffocations

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ACCIDENTS took over 100,000 lives, caused approximately 10,000,000 more or less serious injuries and cost more than $1,000,000,000 last year on this continent.

Among those killed by accident were 18,000 children under fifteen years of age.

No one knows how many accidental injuries and deaths are due to uncontrollable circumstances. Nevertheless, how many of the accidents which happened to members of your family or your friends—accidents which you know all about—could have been avoided?

Last year there were about 46,000 fatal accidents in homes and in industry. Elsewhere there were about 54,000 accidental deaths. Among the latter group 32,500—motorists and pedestrians—were killed by automobiles.

But while the tide of accidents is steadily rising, there are some bright spots in the dark record.

Better traffic regulations in a large number of cities are reducing the percentage of street accidents and the toll of killed and maimed children.

Police officers and school teachers are training children to be careful.

Safety appliances and methods installed by the foremost industries are saving many lives.

But systematic accident prevention in homes has hardly begun.

Falls in homes caused approximately 8,000 deaths last year; burns, scalds and explosions 5,400; asphyxiations 3,600 and fatal poisonings 2,000. Much remains to be done to check home accidents caused by recklessness and thoughtlessness.

The Metropolitan Life Insurance Company urges you to send for its free booklets on accident prevention. Ask for Booklets 5-F-34

METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT

CANADIAN HEAD OFFICE OTTAWA

SERVING CANADA SINCE 1872

Good Prices for Bred Sows

Increased bacon prices were reflected in the high prices paid at the recent Regina Winter Fair for bred sows. The top price was $64 and all sows offered brought satisfactory prices, the average being $37.75.

Lumber Cut Up 50 Per Cent

Official preliminary estimate of the wood cut in Quebec during the past season indicates an increase of 50 per cent over 1933. A total of 25,000 lumber jacks were employed during the winter.

Have You Carefully Read

THE FINANCIAL POST

MAY 12 **2nd Section**

SIX solid pages under the caption "French-Canada Market Has Rich Opportunities" . . . an astounding résumé of the business possibilities and wealth of 28 per cent of Canada's population — a market hardly touched by many manufacturers.

HERE ARE THE HIGHLIGHTS in The Financial Post May 12th 2nd Section

FRENCH CANADIAN CHARACTER
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Page 17

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3. What does labor want?
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5. Are the big stores socially good?
6. What is "chiselling" in business?
7. What is the place of the Trade Association?
8. Must the B. N. A. Act be rewritten?
9. What is Economic Planning?
10. Must we control unfair competition to protect workers, business men, consumers?

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Lack of Reserve Policies Costly to Canadian Trusts

Dividends Compare Unfavorably With British Trusts — Obscurity in Canada on Surplus, Values, Publicity

Reserves, one of the principal bulwarks of the British trusts, have never been generally used by Canadian investment trusts. Lacking a substantial surplus it has been impossible for a majority of these companies to successfully withstand the strains of the past few critical years. While general conditions have, admittedly, not been of the best, considerable evidence shows that only a few of the sounder and larger units gave consideration to this matter.

The majority of the trusts in Canada focussed their attention on immediate profits and temporarily ignored the possibility of having to meet reverses. The result of their policies is clearly evident by the capital position of many Canadian trusts at the present time.

British trusts refuse to regard turnover profits as a source of income, and as available for distribution as dividends, but insist upon their re-investment. A large number of companies use both the "visible" reserve and also the "invisible" reserve by which to write down the cost value of their portfolio holdings. Thus capital gains become part of the fund, and by their retention the stated capital account is stabilized, while the income from investments remains available for dividends.

Capital and Income

The question of how to treat turnover profits involves one phase of the economic problem of how to distinguish between capital and income. In contrast to the British practice, a large number of trusts in Canada have paid dividends out of both ordinary revenue and capital profits. While this practice helped to satisfy shareholders wanting dividends and proved to make an attractive selling feature it has been shown to be unsound as a result of recent experiences. The general absence of any sizeable reserves in Canadian trusts is in contrast to the accumulated reserves and surplus exceeding 100 per cent of the ordinary share capital in a number of British units. Even in 1931, after two years of depression operation, 68 investment trusts in Great Britain had reserves and surplus averaging 49 per cent.

Besides the general unfavorable market conditions, which have not given the Canadian trusts a fair chance, the heavy percentage of junior securities with low yields in the trust portfolio has proved detrimental. Even in 1930, the year ending the rapid expansion of Canada's trusts, revenue available for common dividends and reserves totalled only 5.91 per cent. And during the last three years it has been difficult for some trusts to meet their fixed charges on senior securities, without even considering any reserve policy. In this matter of reserves the investor has another of the vital factors of difference between British and Canadian trusts and one which will have to be wisely dealt with by the latter if they are to establish themselves permanently in the Dominion.

Dividends and Reserves

The determination of the trust dividend policy depends, in many respects, as to what reserve, if any, shall be established. In the record of British investment trust payments there is shown indirectly the large profits earned and their distribution. The record of British trusts dividends, both during and after the war, constitutes one of the outstanding achievements in the history of British finance. Besides helping to finance war loans from the United States, by placing their American portfolio securities as collateral, the British trusts helped considerably to stabilize the domestic investment market and emerged in 1919 as one of the strongest units in the entire financial field. While they lost considerably in the capital value of their securities they continued to pay unusually high dividends as indicated by the following table:

COMMON DIVIDEND RECORD OF EIGHT BRITISH TRUSTS 1915-1933

Trust:	1915 %	1919 %	1923 %	1927 %	1928 %	1929 %	1930 %	1931 %	1932 %	1933 %
Edinburgh Inv. Tr.	17	..	10	12	12	12	12	12	9	5
2nd Edin. Inv. Tr.	12	15	15	15	15	15	15	12	7	5
Alliance Inv. Tr.	19	19	21	25	25	25	25	25	25	25
British Inv. Tr.	14	14	16	20	21	21	21	21	21	16
Caledonian Inv. Tr.	6	6	9	13	14	15	16	16	15	10
American Inv. Tr.	5	5	7	12	13	14	14	14	10	5
Scottish Inv. Tru.	6	7	8	20	20	20	20	17½	10	4½
3rd Edin. Inv. Tr.	4	12	12	12	12	12	12	10	2	nil

Comparison With Canada

Compared with the above record, the payments on the common stock of leading Canadian trusts is rather unimpressive. The lack of payments on many issues, plus the ready sale these same securities had in 1928 and 1929, is proof of the importance placed by the investing public on capital appreciation rather than income. The reduction and passing of dividends on many holdings in Canadian trust portfolios has made it impossible for the trusts, as indicated below, to make any substantial payments on their junior securities:

COMMON DIVIDEND RECORD OF 15 CANADIAN TRUSTS 1928-1933

Trust:	1933	1932	1931	1930	1929	1928
Aldred Investment Corp.	nil	nil	nil	nil	0.50	nil
Candn. Pwr. & Paper Invests.	nil	nil	nil	nil	nil	nil
Candn. Intern. Inv. Trust	nil	nil	nil	nil	nil	*
Candn. Investors Corp.	0.40	0.80	1.50	1.50	1.00	*
Candn. General Inv. Ltd.	0.35	0.45	0.85	1.75	‡4.50	‡4.50
Dominion-Scottish	nil	nil	nil	nil	nil	*
Economic Investment Tr.	0.75	1.62½	2.50	2.50	2.00	2.00
G. B. & Canada Inv. Corp.	nil	nil	nil	nil	nil	*
Hydro-Elec. Secs. Corp.	nil	0.10	1.00	2.00	1.00	nil
Investment Foundation, Ltd.	nil	nil	nil	nil	nil	*
London-Candn. Invest. Corp.	nil	nil	nil	nil	nil	nil
Secs. Holding Corp. Ltd.	nil	nil	nil	nil	nil	nil
†United Corporations, Ltd.	nil	nil	nil	nil	nil	nil
United Bond & Share, Ltd.	nil	nil	nil	nil	nil	nil
Third Can. Gen. Inv. Tr.	0.10	nil	0.15	0.22½	0.12½	0.12½

*Not in operation. †Reorganization of former Consolidated Investment Corp.
‡Paid on old $100 stock of 2nd Can. Gen. Inv. Trust, equivalent of 4 present shares.

It will be noted that Economic Investment Trust, the Canadian General Investment Trusts and Canadian Investors Corp. have been able to maintain reduced payments. Dominion Scottish has never paid a common dividend, but has increased surplus by reducing its preferred dividend. Great Britain and Canada have been unable to pay preferred dividends since Oct. 1, 1931.

Lest this comparison appear unfair to the Canadian trusts, the following British experience has been compiled for trusts formed in 1927 or later:

DIVIDEND RECORD OF 15 BRITISH TRUSTS 1928-1933

Trust	'33 %	'32 %	'31 %	'30 %	'29 %	'28 %
Abotts Inv.	2½	3	4	5	2½	*
Anglo-Celtic	2	4½	7½	7½	7	6
Cap. & Nat.	nil	2½	5	5	5	5
City & Intern.	2½	2½	5	6½	6½	5½
Dundee & Lon.	nil	2	4	5	5	5
Glasgow Stkldrs.	nil	2	4	5	5	
Home & For.	nil	3	7	7	6	5
Inv. Tr. Ass.	nil	2½	5	5	2½	*
Lon. & Holy.	2½	3	4	5	5	*
1928 Inv. Tr.	2½	2½	5	5	5	*
1929 Inv. Tr.	3	3	4	5	*	*
Scot. Intern.	nil	nil	3½	5	5	4½
2nd Caledon.	4	6	7	7	6	2½
South. Stkrs.	2	2½	4	5	5	*
Tor. Inv. Tr.	2	6	8	8½	8	8

*Not in operation.

Distributable Surplus

While Canadian trusts have not generally used their turnover profits to write down investments they have, since 1930, used a device giving much the same result. The capital surplus distributable fund, introduced into the Dominion Companies Act in 1930 and by Ontario in 1931, has been employed by many trusts to write-off heavy depreciations in investments. Popularly referred to as a substitute for bankruptcy, it has been largely used to transfer from capital to distributable surplus amounts which had previously been credited to the capital fund. While this practice is not necessarily unsound it is not consistent with conservative trust practice and has provided an easy method, by the reduction of par value shares and the placing of the difference against capital distributable account, to write down the boom value of investments.

Valuation of Investments

The valuation of trust investments has received much consideration but has not yet been standardized. While a number of companies favor market valuation the majority of Canadian trusts carry their holdings at cost. A few carry them at cost or market whichever is lower. No trust in Canada carries its portfolio at less than cost which is customary British practice because of their policy of ploughing back turnover profits.

Cost valuation is misleading because it does not show the present worth of the investment fund. Market value is equally misleading as it reflects temporary increase or decrease of equity which has no relation to the ultimate profit or loss. A practical solution would seem to lie in the trust publishing simultaneously both the cost and market valuation figures and let the investor draw his own conclusions.

To derive any value from the suggested publication of the figures just mentioned, it would be necessary to have more information available than that now supplied to investors in Canadian trusts. In Canada there is a wide gap between full publicity and very meagre publicity. Some trusts issue semi-annual or quarterly statements, a few send investment lists on request of shareholders, while many merely give a general description of their securities, without stating the amount bought and the price paid.

Investors in the Dark

The operations of a number of Canadian trusts have been practically a closed book to the majority of their shareholders. There is no doubt that publicity serves as a wholesome check upon management and provides a valuable safeguard to the investor. While there has been a slight improvement recently in respect to publicity, there is still a great deal which can be done to improve the policies of the trusts and to win back some of their lost prestige by the publishing of full statements of their operations.

The taxation of investment trusts in Canada has brought to light a number of interesting factors in connection with the imposts to be placed on these specialized financial companies. Evidence points to the fact that the matter has never received much serious thought outside Ontario where special provisions have been established. Generally speaking the system of taxing these companies in Canada is not as simple as that in Great Britain but is considerably easier to understand and operate than that found in the United States. Trusts incorporated in New York are liable for a total of eight taxes, both federal and state.

In 1932, trusts operating in Ontario and holding Canadian investments were exempt only on revenue received from Canadian dividends but not on income derived from bonds. In 1933 a provision was made to the effect that any trust whose revenue, from investments in Dominion, provincial, or municipal issues, or obligations of other companies, is not less than 85 per cent of its total revenue, is exempt from tax on revenue. Thus investment trusts are entirely exempt unless they have revenue from other sources which is not usually the case.

Taxation in Canada

Trusts in Ontario pay a $50 office tax, while those having head offices in Toronto are subject to a business assessment tax of approximately $100. In Quebec the investment trust comes under the general classification of an ordinary incorporated company. Taxation includes one-tenth of one per cent upon the paid-up capital of the company and an additional tax of $30 for each place of business in Montreal and Quebec.

But it is the 12½ per cent Federal income tax which has the most important effect on operation and profits of Canadian trusts. This levy, paid on net portfolio earnings, has seriously reduced the profits of many trusts, and has been the indirect cause of some companies buying heavily into speculative issues in order to cover their tax charges. Because of this tax it is necessary for the majority of companies to earn from one half to three quarters of one per cent extra on their investments to put them on an equal footing with the individual investor. It is also claimed to be duplicate taxation which has to be considered as detrimental to the sale of trust securities to the private purchaser.

Investment trusts in Canada are taxed in respect of interest and taxable dividend income only. Holders of investment trust securities in Ontario and Quebec, although not in the other provinces, are theoretically liable for double succession duties until a definite reciprocal arrangement can be worked out by these two provinces. The payment of the income tax by the investment trust itself quite readily shows that it is a management rather than a fixed trust.

This is the third of a series of articles describing investment trust experience in Canada. The next article, on fixed trusts, will appear in an early issue.

Enquiries

Canada Paving

Can you give me any information regarding the progress being made in the liquidation of Canada Paving & Supply Corp. since the last report of February 28, 1933? Is there any possibility of a distribution being made in the near future to preferred shareholders?

Another report on progress of Canada Paving and Supply Corp. by Guaranty Trust Co., Guaranty Trust Building, Windsor, Ont., may be issued about June 1, 1934.

On June 1, 1933, all creditors had been paid except $121,269 owed to Canadian Bank of Commerce and secured and ordinary creditors of $54,324. Taxing bodies and other preferred creditors had already been paid off. It is understood that sufficient progress has been made so that unsecured creditors have been paid another sum with the consent of the bank.

That left $158,593 still to pay banks and unsecured creditors before preferred shareholders rank for payment.

The shareholders must depend upon rather slow liquidation of the fixed assets of the company. That is bound up with the business situation generally and with the business situation of the Border Cities in particular.

The fact that large sums were owing to the company from defaulting municipalities also has a bearing on the situation. As the situation of those municipalities improves, it should help the situation for the shareholders of this company when it is finally liquidated.

On February 28, 1933, company valued total assets at $2,021,312. Most of these will still remain after payment of above accounts but it may be slow work selling them and of course sums realized will depend on recovery of Border Cities.

Orange Crush Bottling

I hold two shares Orange Crush Bottling Co. Ltd., preferred stock of par value $100 and two shares common stock.

These certificates are marked "Incorporated under the laws of the province of Manitoba," and were purchased in 1926 for $250. $100 for each share of preferred and $25 for each common share.

Could you please advise us what this company is doing, and the value of the above shares, and if there is any market for them?

Orange Crush Bottling Co. is now in liquidation and the liquidator is W. S. Newton, Winnipeg.

At the time of the merger of Orange Crush Bottlers, Limited, and the Orange Crush Company to become the present company, Orange Crush, Ltd., the latter company took over the accounts of these two companies and among them an amount of $50,000 owed by Orange Crush Bottling Company, Winnipeg.

Orange Crush gave Orange Crush Bottling Company further credit in order to enable it to pay past due taxes as well as pressing obligations to bankers and others. Security was taken by way of mortgage on Montreal real estate and debentures covering other assets of the company. This account was reduced by substantial payments during each summer and then further credit was granted during the winter and spring months.

In 1932, however, the Orange Crush Bottling Co. was unable to make its usual payment during the summer and amounts owed by it were increased by more than $45,000. A small group of shareholders applied for a winding-up order and the judge appointed a provisional liquidator who operated the business.

Orange Crush made a proposal to shareholders and creditors for an exchange of shares but eventually, although a number were willing, the thing fell through and it is very unlikely that there will be anything for shareholders of the Orange Crush Bottling Company.

Brewing Corp.

In a recent issue of The Financial Post which I have received regularly wherever I happened to be in Europe in the last three years, I find it stated that the management of Brewing Corporation estimates that under the new conditions (which may come in, probably, about next July) the earnings available for dividends should exceed $4 a share. I beg to enquire how it is possible for a share with proximate probable earnings of $4 to stand at $8⅞. It looks as though there were a snag somewhere. Where is it?

The market was not affected by the prophecy of the president of Brewing Corp. of Canada that the earnings should exceed $4 a share because the public has been often bitten in the past by paying too much attention to prophecies and because though people who know him credit the president with sincerity in his optimism, they also believe that there is a good deal of truth in the old adage "there is many a slip twixt the cup and the lip." They see that earnings last year of Brewing Corp. showed less than nothing on the common stock and they realize that this estimate is based on the expectations of those in the brewing industry that the consumption of beer will double or treble under the new conditions of sale.

It is true that it will be much more convenient to get beer than it has been in the past because there are more than 5,000 standard hotels and restaurants which will try to get the right of sale of beer under the new laws as compared with the present situation where there are only 124 Liquor Board stores, 102 brewery warehouses and 32 breweries. The multiplication of selling agenies is expected to result in much more drinking. Before the prohibition era in Ontario, a great deal of beer was consumed but during prohibition and under the difficulties placed in the way of sale under liquor control, the tendency has been to switch to the drinking of spirits. Brewers think that under the new law, the tendency will be the other way. Also there has been a tremendous increase in the amount of home brewing since the old pre-prohibition days and brewers also believe that with greater convenience in purchasing, this will now begin to diminish.

The general public is quite well aware that only 20 per cent of the brewing capacity of the province has been sufficient to provide all consumptive requirements to date, that is, under present conditions of sale. At present breweries are very active, getting ready large supplies of properly matured beers and ales for the expected demand when the new laws go into effect. Those laws will not be proclaimed until after the provincial election. As both parties have indicated their intention to make these laws effective, the result of the election will make no difference to prospects.

Brewing Corp., has been selling stock in Great Britain in order to help it in its programme of acquiring a number of the largest competing companies in the province. Its object in this is to prevent a cut-rate war on beer in which no brewery would make a profit. There are many small breweries in Ontario and local price wars may possibly develop here and there. You will see therefore that, though the general situation justifies the president of Brewing Corporation in having considerable optimism as to the future, there are still some problems to solve. One of the present influences on the market is that many, who bought stocks in the expectation of a rise, have had very large profits and are inclined to take the profits now rather than wait to see what actually happens when the beer sale is widened. Nevertheless market valuations have improved since you wrote.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

McVittie-Graham Mines

I hold stock in the McVittie-Graham Gold Mine Co., bought at $1.10.

Can you give me any information of the financial standing and operating conditions of this company?

Do you think the prices will come back again and would it be advisable to hold for a higher price?

McVittie-Graham Mines is controlled by an experienced group of mining men headed by F. M. Connell. The company is really a holding company with principal interest in ownership of 56 per cent of the Veraguas Mines, now in operation in Panama. McVittie-Graham loaned Veraguas some $275,000 in order to help it get into production. This is to be paid back plus interest out of profits and in consideration of the loan McVittie-Graham holds 420,000 Veraguas shares. The Veraguas property is giving a good account of itself and is a very high grade mine presently operating at about 30 tons per day. Inasmuch as operations only started last November, it is impossible to appraise its earning ability. Development work has not proceeded to any great extent and the ore reserves, therefore, are somewhat in doubt.

Casey Mountain

In February, 1929, I purchased 50 shares of Casey Mountain Operating Syndicate Ltd., and with this certificate, another certificate was attached thereon, showing an allotment of 165 shares of Casey Mountain Mining Co., and 850 shares of Williamson Gold Mine. Some time ago there appeared in your paper an announcement that the Maple Leaf Mining Co. had incorporated, or taken over, the Casey Summit Gold Mines.

If you have any information in regard to the set up of these two companies, and as to what my position is in regard to the 50 shares of Casey Mountain Operating Syndicate, and the Maple Leaf Mining, I would be pleased to be advised.

Casey Mountain Operating Synd. principal asset is ownership of 1,000,000 shares of Casey Summit Gold Mines Ltd., now a subsidiary of the Maple Leaf Mines, which has financed the further development of the property and has a mill under construction for operation this summer. In addition, the Casey Summit Operating Synd. owns some claims adjoining the Casey Summit Gold Mines, the merit of which is yet to be demonstrated.

The financing programme of R. G. Williamson, president of Casey Summit Gold Mines, also of Casey Mountain Operating Synd. and Casey Mountain Mining Co. as well as the Williamson Gold Mines, is rather complex. There is no established market for any of these shares, except the unlisted quotations of Casey Summit Gold Mines. There is no real connection between your holdings in Casey Mountain Operating Synd. and the deal with Maple Leaf Mining Co. You are in very much the same position as Maple Leaf which is a holding company. Casey Summit owns, as stated above, a block, while Maple Leaf owns another and larger block. If Casey Summit Gold Mines reaches the dividend stage, then dividends will accrue to the Casey Mountain Operating Synd. and it will then rest with Mr. Williamson and his associates as to whether this income will be used to pay a dividend on Casey Mountain Operating Synd. or to carry out further exploration programmes he might have in mind.

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Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Spurious Specialists

MANY an industrial wolf is masquerading, with the aid of a fake "sheepskin" as a specialist in some particular line. As the industrial set-up becomes more complex, the fields for this type of sharpster widen. Many thousands of dollars are now being taken annually from businessmen in Canada, who, seeing the "sheepskin," fail to sense the wolf.

The specialist racket covers a wide range of activities, from the man who robs farmers' wives, offering to cure their rheumatism by hocus-pocussing their wedding rings, to the big-time faker, who gets himself paid a fancy salary to specialize on some factor of commerce or finance.

One form is described in a recent issue of Electrical News and Engineering, which tells of the activities of a bogus power cost specialist.

This particular man, who is not even a qualified engineer, has been touring Ontario collecting large fees from power users, under promise of saving them money on their power bills.

He is made particularly dangerous to manufacturing concerns and municipalities, inasmuch as it is difficult to find a clause in the criminal code under which to prosecute him. In order to make his "study," he is given possession of the company's books, contracts, and bills. If, as generally happens, the company is dissatisfied with the so-called report, and balks at paying the faker's account, he hangs on to the company's documents until the bill is paid.

In many cases this smooth-working young racketeer persuades the company to give him a retaining fee in advance. He has not actually told the company he is an electrical engineer. But most employers associate electrical power cost experts with electrical engineers, and so, without investigating the man's credentials, assume that he is duly qualified.

* * *

MOST industrialists stand in wholesome awe of science. Capitalizing on this, an impressive-looking man recently persuaded several big Toronto industries to engage him, at a substantial salary, as a "psychological efficiency expert." His argument was well founded — that much industrial effort was wasted by square pegs in round holes, men fitted for one job who were doing another. His modus operandi, not so well founded, was that by studying the head of the worker in office or factory he could tell what type of work the man or woman was best suited for. He also had some sort of so-called psychological test that he applied to the worker.

While undoubtedly a qualified psychologist could pick out misfits in various types of industry, this particular man was found, after investigation, to have no qualifications as a psychologist, with the result that he has now transferred his activities to some other part of Canada.

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Peel St. Realties Earning Interest and Sinking Fund

Peel Street Realties, operating the annex to the Hermes Building, Montreal, is reported to be currently earning sufficient to meet both interest and sinking fund requirements on its 6½ per cent first mortgage bonds, due serially from 1934 to 1950.

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Mass Buying Enquiry

Completion of Probe This Session Appears Remote — Rubber Industry, Canners and Then Chain Stores is Present Schedule

From Our Own Correspondent

OTTAWA.—Despite the fact that upward of 1,800 pages of printed evidence have been taken by the Stevens Price Spreads committee, the investigation is falling steadily behind schedule. With six weeks of the session still to come, the chances of the committee completing the programme outlined a month ago is becoming increasingly remote.

This week the committee continued to probe the tobacco industry and opened a new phase of its enquiry by hearing evidence from the fruit and vegetable growers of Ontario. It was then proposed to proceed with the canners, but this plan has now been changed and the next group to be X-rayed will be the rubber industry. Thereafter, according to the present plan, the committee will revert to the canners and then the chain stores.

High Cost of Investigation

On Monday the government was forced to seek further interim supply and the reason given by Premier Bennett was that the vote for the committees had been exhausted. Such a state of affairs has not occurred for many years and members are wondering where the committee funds have gone. It is being said that the bulk of the money has been spent by the Stevens committee in hiring large numbers of investigators to dig out evidence. Questions will appear on the order paper this week asking how many investigators have been employed, their cost, their duties and so forth.

Watching the committee from day to day, it is plain that the majority of the members and Hon. H. H. Stevens, the chairman, are in no hurry to get along with the work. The printed evidence shows there has been a great deal of repetition. Witnesses have been permitted to go over the same testimony time after time.

Likewise, the final outcome of the committee's enquiry remains shadowy and nebulous. Very little can be hoped for, by way of legislation, this session. Premier Bennett already has given the House of Commons a list of the bills still to be dealt with and none of them has reference to the price spreads enquiry.

Evidence Summarized

The Financial Post continues its chronological summary of the evidence:

Mr Miller Continues

Gray Miller, president of Imperial Tobacco Co. of Canada, continued his evidence on May 4.

Near the close of the previous day's hearing, counsel for the committee had suggested that the sudden drop from 30c to 20c at the beginning of 1931 raw leaf buying season was directed by Imperial Tobacco. Counsel stated that Mr. Miller had agreed to give the reason for this drop.

Mr. Miller stated that he had investigated the circumstances surrounding the purchase of 1931 crop. He stated that the charge made by committee counsel that Imperial had opened with the top price of 30c and dropped this to 20c within six days was not in accordance with the facts. The top price was set at 30c for the best grade of crop and as this was purchased first lower prices prevailed in later weeks because the quality of the crops was not up to the top grade.

Questioned as to why a similar decline had not taken place in other years, Mr. Miller stated that payments in other years had been too high for the good of the industry. Growers had begun to think that any quality of crop would be paid at top prices and production had increased to a point where fields, quite unsuitable for the production of tobacco, were being used for this purpose.

Mr. Miller stated that it was a fact that the average price paid in 1931 was approximately 23c. He said that 36½ per cent of total purchases were made on the first day, that was at the 30c figure, that 63 per cent of total purchases were contracted in the first week and that over 90 per cent were contracted by the end of the second week.

Imperial Directed Growers

Mr. Miller, questioned by counsel, stated that at the suggestion of the Imperial Tobacco, the growers changed their varieties for 1932 and harvested them in a different manner. The only thing which was not suggested by Imperial was the amount of tobacco grown. Mr. Miller suggested that this amount was too large.

Counsel suggested that Mr. Harrison, of British American Tobacco Co., a United States concern, was consulted on the price which should be paid to Canadian growers for their tobacco. Mr. Miller stated that this was not the case, that Mr. Harrison was consulted on the quality of the crop and world conditions in the tobacco industry. All that was being done was that the British-American were giving the benefit of their knowledge of the tobacco business to Imperial Tobacco through Mr. Harrison.

Counsel suggested that there was some relationship between the drops of from 16½c a pound in 1929 to 7c a pound in 1932 in United States' prices and the similar decline which took place in Canada. Mr. Miller stated that he did not think this was so except in so far as the decline related to overproduction in both countries.

Mr. Miller stated that because Canadian tobacco had to compete in the British market with tobaccos from other Empire countries, this had a great effect on the price in Canada. With reference to this question, counsel asked Mr. Miller to stand aside for a moment and called Professor Archibald Leitch.

Professor Leitch Recalled

Professor Leitch stated that he had exported tobacco of the 1931 and 1932 crop and that Canadian tobacco up until 1932 received a considerable premium over flue-cured tobaccos from other Empire countries. Profesor Leitch stated that with the exception of 1929, Canadian tobacco, exported to Great Britain, brought a lower price than that purchased by Canadian companies.

Mr. Miller was asked what reduction had taken place in the price of cigarettes when the price to the producer was reduced from an average of 32c in 1930 to 16c or 17c in 1932. He stated that there had been no decrease in price because of change in the price of tobacco.

Vice-President Questioned

Henry P. Buell, vice-president of Imperial Tobacco, was the next witness on May 8. Witness was questioned on the method of arriving at the price to be paid to growers.

Mr. Miller and Mr. Buell were questioned together regarding the alleged action of Imperial Tobacco in holding off the market in the middle of the 1931 buying season, and its disastrous result on prices. They stated that the hold-off was due to the fact that they were waiting to find out what Imperial of Great Britain wanted to buy.

Evidence of Mr. Miller and Mr. Buell was continued on May 9.

Mr. Miller stated that the company controlled approximately 75 per cent of the cigarette business, 66 per cent of the cut tobacco business, and 70 per cent of the cigar business in Canada.

Questioned on Profits

Mr. Sommerville referred to the net profits of $32,000,000 over the past 5 years, during which time the price to the producer had been reduced by 50 per cent, and wage earners' wages reduced. Mr. Miller pointed out that the Imperial paid 17 cents when other buyers were paying 14 cents, but Mr. Sommerville suggested that the other buyers would not have paid 14 cents had not Imperial opened the market at 17 in 1932.

Reference was made to the proposal to reduce acreage in the Ontario tobacco growing belt. Mr. Miller thought that this should be reduced 33-1/3 per cent instead of 25 per cent, as proposed. He said that they had a surplus of 4,000,000 lbs. of cured tobacco. Mr. Miller thought that the total surplus in Canada was about 15 to 18 million pounds, which was including the amount held by farmers and on which the Government had made advances.

On a proposal by Mr. Factor it was agreed that Mr. Miller's brief should be printed in the official records.

Mr. Miller's Brief Summarized

Highlights of the brief follow:

Imperial Tobacco of Canada has 16,325 shareholders of whom 12,319 reside in Great Britain and 3,571 in Canada. Over 84 per cent of the stock is held in Great Britain and 13.3 per cent in Canada.

Comparison of prices paid in United States and Canada shows that in 1927 the average in the U. S. A. was 19.8 cents per lb. as compared with 33.9 cents in Canada, 7 cents in the U. S. A. in 1931, as compared with 20.5 cents in Canada, and 13.7 cents in U. S. A. in 1933, as compared with 19.8 cents in Canada.

It was submitted in the brief that the present over-production had been brought about by speculators who have exploited the production of flue-cured tobacco. It is pointed out that less than 33 per cent of the crop was produced by proprietor cultivators.

Imperial Tobacco's purchases of Canadian grown flue-cured tobacco showed that in 1928 the company took 80.9 per cent of the crop, as compared with 59 per cent in 1931, 56 per cent in 1932, and 53.2 per cent in 1933. The largest amount taken was in 1932 when 15,470,000 lbs. were purchased.

A table showing the prices paid by the Imperial Tobacco Co. and all others. The Imperial Tobacco prices are higher in every case except in 1930.

Proposes Government Control

Mr. Miller submitted a proposed means of controlling production of tobacco in Canada. Briefly, this was as follows:

(1) The Federal Department of Agriculture should issue a license to each grower fixing the number of acres and the weight of tobacco by type that he may cultivate during a specific crop year;

(2) The Department of Agriculture to fix the maximum of the crop to be cultivated in each year under license;

(3) Applications for license to be filled by the Department of Agriculture by January 1;

(4) For the cultivator producers producing a quantity in excess of, or to cultivate acreage in excess of that specified within his license, the said license shall then be terminated, but the cultivator may apply for a license in the following year;

(5) Licenses for the total crop shall first of all be allocated to applicants who operated under license during the preceding year and any increase in the crop shall be allocated to such applicants in ratio to their applications for increased acreage or pounds;

(6) The Act to be amended so as to provide that all wholesale dealers, packers, meat handlers and processors shall be licensed under this Act.

Mr. Miller's Conclusions

Conclusions drawn by Mr. Miller were, briefly, as follows:

1. In the past few years the production of Canadian tobacco has exceeded by 36 per cent to 44 per cent, the total Canadian consumption of domestic and foreign leaf tobacco manufactured in Canada into all types of cigars, cigarettes, etc.

2. In the past two years the production of Canadian tobacco has been from 49 per cent to 60 per cent in excess of apparently world consumption of Canadian tobacco.

3. Production of flue-cured tobacco for the five years 1924 to 1928 averaged 6,250,000 lbs. and has been increased to an average of 23,500,000 lbs. in the five years 1929 to 1933.

4. The problem of overproduction is primarily due to the increased production of flue-cured tobacco.

5. An important potential market for Canadian leaf tobacco exports may be found in Great Britain.

6. Canadian leaf tobacco must meet competition of other Empire leaf tobacco in Great Britain on an equal footing.

7. Canadian leaf tobacco constitutes only a small percentage of the total of leaf tobacco withdrawn from consumption in Great Britain and represents approximately 15 per cent of Empire leaf tobacco so withdrawn.

8. The high price of Canadian leaf in relation to prices of other Empire leaf has been an effective deterrent in extending the use of Canadian tobacco in Great Britain.

9. The duty of 40 cents per pound on leaf tobacco imported into Canada ranging from 202 per cent to 572 per cent protection, incomparable prices from the United States flue-cured tobacco, has been responsible for the high prices paid for Canadian leaf tobacco in the years when production was less than consumption.

10. Any commodity returning an unusual profit thereby encourages exploitation and frequently results in overproduction.

11. Production of flue-cured tobacco in Canada has been to the point of over-production.

Controlled Production Is Remedy

The remedy to all of the foregoing, the brief states, is to be found in the control of production as set forth above.

T. L. Lea, manager of the Ontario leaf department, Imperial Tobacco Co. of Canada, was the next witness on May 9.

Mr. Lea was questioned regarding procedure in the purchase of the 1932 crop. He admitted that he was actually in charge of buying although Mr. Gregory was nominally the head. He was conveying instructions from Mr. Buell in Montreal to Mr. Gregory.

Mr. Sommerville charged that his information was that Mr. Lea had been almost entirely responsible for depressing the prices paid to growers during the 1932 buying season.

Says Lea Caused Price Cut

Sylvester Robbins, of New Toronto, Ontario, was the next witness on May 9. Mr. Robbins stated that he was a representative of a plough company doing business in the Tillsonburg tobacco area for 22 years.

Mr. Robbins stated that he had heard Mr. Gregory phoning Montreal from Tillsonburg trying to get the head office to open the market at 35 cents. It appeared to him that they wanted to pay around 25 cents. Mr. Gregory told the hotel proprietor that he was leaving for Montreal right away but that he would be back although he did not think that it would be in the capacity of manager.

Witness stated that he had heard Mr. Lea enter the hotel lobby and say to some of his buyers, "Here is a sample that I bought for 14 cents a pound when one of my own buyers had offered 24 cents earlier in the day. The young fellow is putting himself through college and he is taking his medicine like a man."

Francis Gregory, of Leamington, Ontario, was the next witness on May 9. He stated that he had been in charge of buying operations for the Imperial Tobacco Company for 32 or 33 years terminating in 1931.

Mr. Gregory stated that he did not think that he had made the telephone call referred to by Mr. Robbins, before the opening of the market. He could not remember the telephone call at all but stated that he would not have discussed probable prices over the telephone before the market opened.

Mr. Gregory stated that he remembered the incident of the boy from whom Mr. Lea purchased the tobacco at 14 cents.

Leaf Dealer Testifies

Joseph H. Marion, St. Jacques, Quebec was first witness examined on May 10. He stated that he was a dealer in leaf tobacco (cigar type) and also a farmer and represented the tobacco growers of this district. Witness stated that conditions had gradually got very bad in his district. There was on hand a few million pounds, some of it representing part of the crop of two, three and even four years ago. Prices had declined from 15 cents in 1929 to as low as 4 cents in 1932.

Witness stated that petitions were circulated in his district to urge the government to impose an excise tax on raw leaf tobacco. This he said was represented by the companies as a good move for the growers but he thought that the reason was that the small buyer and the trade in raw tobacco would be eliminated owing to the increase in price.

Mr. Marion submitted a short brief stating that the growers in his area were in favor of the plans suggested by the Ontario growers, viz.; organization of the official classification by way of a central drying storage and public auction sale. It stated that reasonable profits could be made at ordinary prices. Too many types of tobacco were being grown at the present time, however.

Oppose Special Tax

Charles Frenette, St. Charles de Bellechasse, Que., was the next witness on the stand. Mr. Frenette stated that he was a dealer in raw tobacco.

Mr. Frenette agreed with Mr. Marion in opposing the imposition of the special tax on raw leaf tobacco.

Ernest Forest, L'Epiphanie, Quebec, was the next witness on May 10. He stated that he was a notary residing in the heart of the Quebec tobacco country. He stated that his opinions were contained in the memorandum read by Mr. Marion and he was directly opposed to the proposed excise tax on raw leaf tobacco.

Victor Chartrand, vice-president and general manager of Forest Limited, cigar manufacturers, was the next witness on May 10. Mr. Chartrand stated that some years ago he manufactured between 5,000,000 and 6,000,000 cigars a year but last year only 1,100,000. This, he said, was because jobbers were forced by Imperial Tobacco Co. to carry Imperial Tobacco Company line of goods.

Witness stated that many times he had heard that his product was taken from the counter and placed at the back to make room for the Imperial Tobacco Co. product. He stated that the merchants were compelled to do this by the Imperial Tobacco Company representatives.

Tried to Force Plant Closure

Witness stated that Imperial Tobacco Company had come to him around 1923 and told him that he would have to sell out at their terms. They were going to establish a plant in opposition to him, he said.

Witness stated that he purchased his supplies direct from the growers and that the problem at the present time was to obtain a uniform variety of tobacco. He suggested that some government method of grading should be brought into force.

Macdonald Owner Questioned

Walter Stewart, president of Macdonald Tobacco Company, Montreal, was the next witness on May 10.

Mr. Stewart stated that he had acquired the business along with his brother in 1917 and later purchased his brother's interest. He was now, therefore, the sole owner of the business.

Until 1918, the Macdonald Company had purchased no Canadian tobacco but the 40 per cent duty imposed in that year made it necessary for them to go into the field and purchase large quantities. In order to protect the company, the Hodge Tobacco Company of Canada was formed, with Mr. Stewart holding the 51 per cent interest in the stock but the company being operated and controlled by the Hodge interests of the United States. The Hodge Company were not buyers for Macdonalds. Macdonalds purchased some of their tobacco from Hodge but felt free to purchase from any other source if they wished.

Mr. Stewart stated that when he acquired the business, their only product was plug tobacco and since then they had built up a cut tobacco and cigarette trade. Since the death of Sir William Macdonald they had spent $7,000,000 on advertising and last year they sold 17 per cent of the total cigarettes in Canada.

Mr. Stewart stated that he drew no salary and that all profits were turned back to developing the cigarette and cut tobacco end of the business.

Mr. Stewart charged that in 1932 when the cigarette duty was reduced from $6.00 to $4.00 a thousand, his competitors knew about it before he did. He continued manufacturing up until the day previous to the change while his competitors had stopped.

Explains Price Changes

Mr. Stewart explained the failure to reduce the price of cigarettes when raw tobacco prices were reduced from 32 to 16 cents. He stated that there was about three pounds of tobacco to make 1,000 cigarettes. In British Consols approximately one-quarter is domestic. There was, therefore, a saving on one pound for each 1,000 cigarettes or 16 cents per 1,000. This would allow reduction of less than half a cent on the 20-cent package.

Mr. Stewart stated that in his opinion if the manufacturers agreed to pay a certain price there soon would be a large surplus.

Mr. Stewart stated that while he drew no salary, he drew $5,000 a week from unearned surplus. This was done to evade income tax, he pointed out.

Norman A. Lockwood was the next witness on May 10. Mr. Lockwood stated that he was president and manager of the Hodge Tobacco Company of Canada, Limited. Mr. Lockwood filed a statement showing purchases in 1933 of flue-cured tobacco. Witness stated that practically all the tobacco which they bought and processed was sold to the Macdonald Company. Witness stated that they obtained orders daily during the buying season from the Macdonald Company but did not get any specific order to buy say 2,000,000 lbs. for them during the season.

Witness stated that they purchased their tobacco under much the same system as Imperial, having men going through the fields and kilns from time to time.

Witness stated that he did not think that standard grades could be effectively applied as you would need between about 17 or 18 different grades.

EXPECT NEW DEAL FOR TOBACCO GROWER

Manufacturers Will Co-operate is Ottawa View — No Probe of Stewart Charges

From Our Own Correspondent

OTTAWA. — Sensational evidence given by tobacco manufacturers before the Stevens Price Spreads Committee will lead to a new deal this season for the growers.

The understanding is that the growers will not rely upon the Dominion and provincial marketing acts to better their position but will obtain a larger share of the tobacco consumers' dollar by direct action.

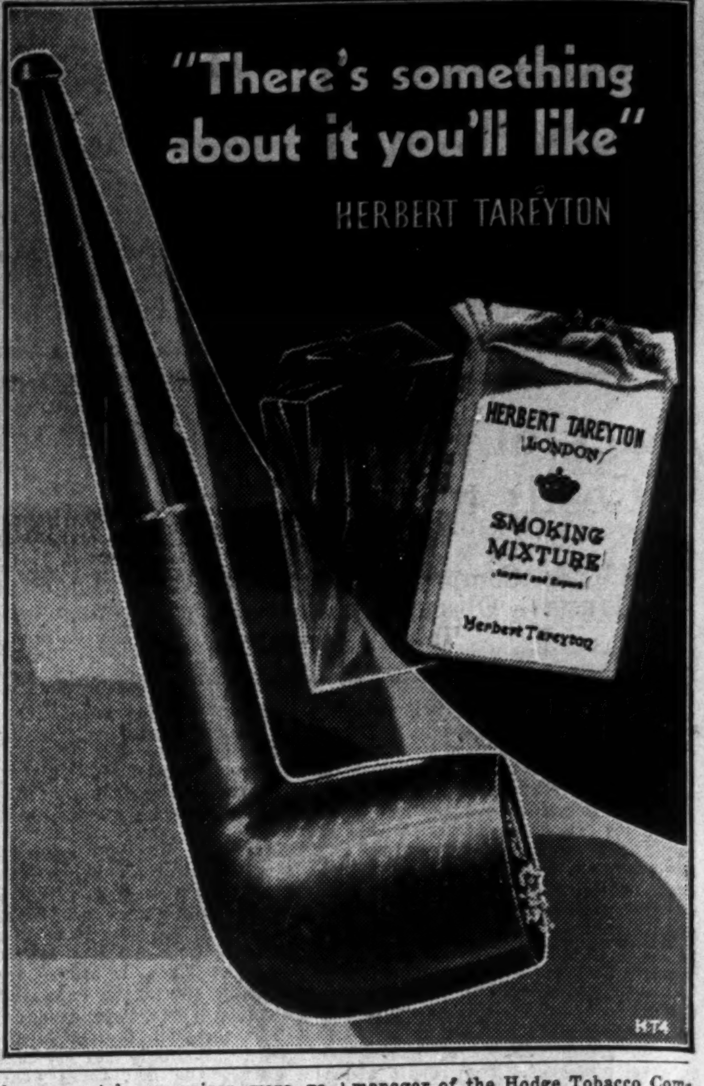
Use Big Stick

Hon. Harry Stevens and the other members of the Price Spreads Committee are keeping in close touch with the negotiations and are understood to be exerting pressure upon the manufacturers. It is probable that the government has taken a hand in the negotiations in an informal way. The manufacturers have been made aware of the fact that if they do not come to terms with the growers, their profits will be curtailed by the operation of governmental machinery which is available. A marketing scheme, including control of price spreads, can be put into operation, or the present tariff can be reduced.

But it is not anticipated that either course will be found necessary to ensure larger payments to growers. The conferences now proceeding have reached a point where agreement is thought certain. This being so, governmental interference with the industry will not be necessary.

No Probe on Charges

With respect to the taxation changes, the general view is that forecasts of an impending reduction in the excise tax on cigarettes in 1932 appeared in The Financial Post and in several daily newspapers. Walter Stewart, president of the Macdonald Tobacco Company, who charged that his competitors were "tipped off" about the reduction, appears to the committee men to be something of a recluse.



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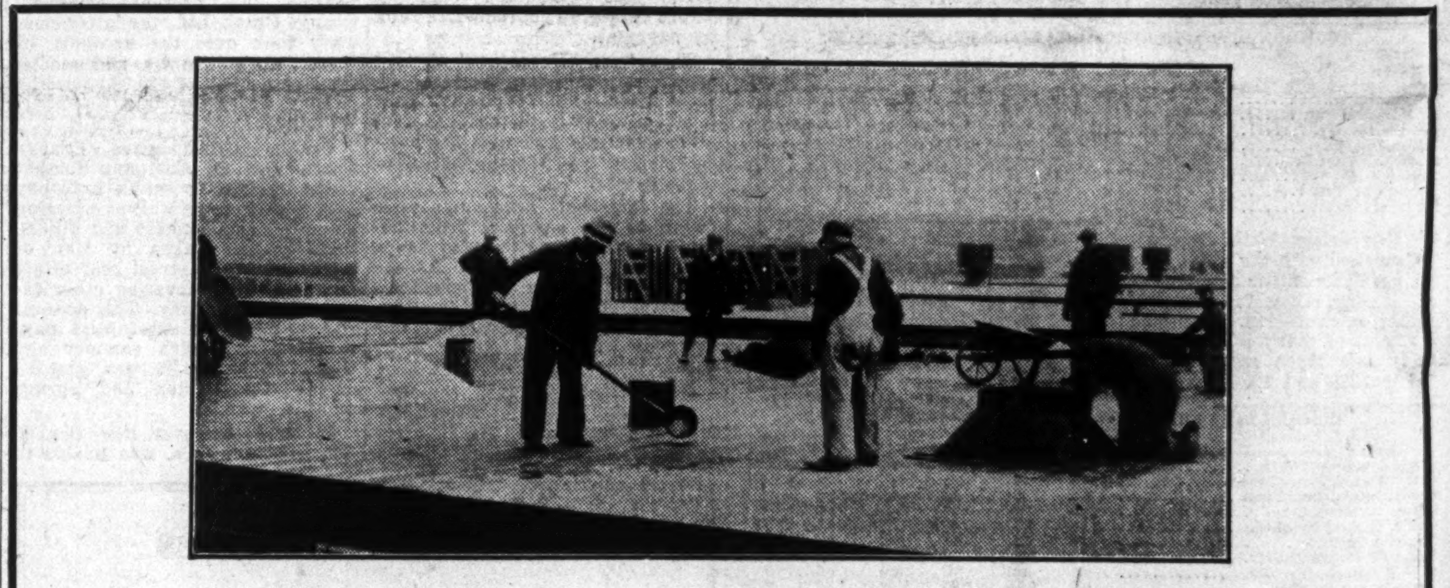

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SECOND SECTION

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Bruce to Post Ottawa on Antipodean Worries

Possibility Seen of New Imperial Conference As Britain's Farm Policy Hits Dominions

By JOHN A. STEVENSON

Rt. Hon. Stanley Melbourne Bruce, who is High Commissioner for Australia in London, is due to arrive in Ottawa on May 25 and, although no official programme has been arranged for him considerable interest attaches to his visit.

For one thing he is one of the more colorful and interesting figures in the politics of the British Commonwealth and for another he is one of the most assiduous and energetic exponents of the idea of closer Imperial economic co-operation. Moreover at the present time special significance attaches itself to his visit as he has been concerning himself much more earnestly than any other politician in the overseas Dominions with the new developments in British fiscal policy, of which the writer gave some account in a previous article dealing with the career and economic ideas of Walter Elliot the British Minister of Agriculture. Mr. Bruce, when he visits Ottawa, comes fresh from Australia where he has been consulting with his Government and discussing also in public speeches the new developments in British policy and their implications for Australia and the other Dominions.

Rowed for Cambridge

Mr. Bruce is a native-born Australian of Scotch blood and was born in affluent circumstances. His father was a partner in one of the largest dry goods houses in Melbourne and one of the wealthier citizens of that city. The son was educated at Melbourne Grammar School and at Cambridge University and at the latter seat of learning, if he did not win high academic laurels, he distinguished himself as an oarsman, rowing in the victorious Cambridge eight in 1904. Subsequently he was called to the English Bar but he had not acquired much practice when the Great War broke out and he immediately secured a commission in the Royal Fusiliers. First with this British corps and later with the Australian forces, he served with great distinction and emerged with the well-earned decorations of the British Military Cross and the French Croix de Guerre.

Goes Into Politics

Returning to Australia he found that the ample fortune which he had inherited enabled him to contemplate a political career and when W. M. (Billy) Hughes, who was, during the war and for some years afterwards, the dominating personality in Australian politics, took a fancy to him, a seat was found for him in 1918 in the Commonwealth Parliament.

Hughes made him a pet protegé and after giving him a chance to win his spurs as one of Australia's delegates to the League of Nations, he elevated him in 1921 despite his lack of political and administrative experience, to the important office of Treasurer of the Commonwealth.

Bruce thus had a singularly rapid advancement from comparative obscurity to a position of great influence and responsibility and he took to politics as a duck takes to water.

Ousts His Leader

However he proved a sad disappointment to his patron, Billy Hughes, for when the latter's autocratic ways incensed his followers and cost him his popularity with the Australian people, it was young Mr. Bruce who headed a party revolt against his leadership and expelled him both from it and the premiership.

Moreover, he stepped into shoes of the deposed Hughes as leader of the Nationalist party and was head of the ministry which guided the destinies of Australia from 1923 to 1929. It was a Coalition of the Nationalist and Country parties and it successfully survived one general election in 1926 but when Australia's economic fortunes plunged downward into the trough of the great depression, a fate which overtook her earlier than most countries, the Bruce ministry suffered a rapid erosion of its popular support and was badly defeated by the Labor party at the election of 1932.

Political Ups and Downs

Bruce had been regarded as a hardworking and energetic premier who was not afraid to face responsibilities but he had suffered from lack of political experience and had been inept in his handling of certain questions. He was also not wholeheartedly popular with his own party and one of the favorite accusations against him was that he was more of an Englishman than an Australian. The result was that, when he lost his seat, the Flinders division of Victoria, at the general election, no particular effort was made to get him back into parliament and he was sort of footloose for more than two years, spending a good deal of his time in Britain.

When the economic crisis deepened and the Australian people became exasperated with the performances of the Labor ministry of Mr. Scullin, there developed a movement for the consolidation of its opponents in the United Australia party. Bruce was not chosen to head it but was passed over in favor of the present premier, J. A. Lyons, who, having broken with the Scullin ministry, of which he was a member, was expected to bring some Labor strength to the new party. Bruce, however, loyally accepted this decision, joined the new party and was re-elected in Feb., 1932, for his old constituency.

Imperial Statesman

He obviously could not be disregarded, as he had a considerable personal following, and moreover, he was the Australian politician who, after the discredited Billy Hughes, had had most experience of inter-Imperial problems. When he made his first appearance at the council table of the Commonwealth at the conference of 1923, he had been rated a somewhat raw and brash politician but when he reappeared in London for the conference of 1926, it was soon realized that he had matured remarkably in political judgment and economic insight in the intervening years and become a sensible and experienced statesman whose opinions must command respect. So it was decided that the most profitable use could be made of his abilities and experience by giving him a seat without portfolio in the cabinet, and appointing him, reinforced with this prestige, Australia's High Commissioner in London.

He has now held this office for more than two years and there is a general agreement that he has been extremely useful to the Lyons ministry and his country; he has managed to ease its financial difficulties materially by the successful flotation of refunding loans in London at lower rates of interest and as head of the Australian delegation at the Ottawa conference in 1932 he played a prominent part in its deliberations.

Watching With Anxiety

Now, during his recent sojourn in London, he has had every opportunity of watching British politics at close range and of consorting freely with the leaders of all parties as well as with bankers, business men, economists and other prominent people. Naturally he was intensely interested in the rise of a man with new ideas about agricultural and fiscal policy like Walter Elliot and he must have read his speeches about the revival of British agriculture and watched the evolution of his practical measures for that end with growing anxiety. So a few months ago he betook himself homeward to Australia to give an account of his stewardship and offer counsel to his colleagues about the new factors likely to affect inter-Imperial trade policy which were emerging in Britain.

At the same time he embarked upon a campaign of popular education about these problems through public speeches and as a consequence the Australian Government and people are now fully apprised of the new situation which confronts them.

Markets for Australia

During his tour Mr. Bruce devoted his energies chiefly to a discussion of the problem of markets for Australia's primary products of which Great Britain takes more than 50 per cent. Not only was he constantly in touch with the Federal Government but he conferred with the Governments of the different states, and in both his private conversations and his public speeches gave frank warning of imminent marketing difficulties in view of the probability that the British Government would impose restrictions on Australian meat and butter and possibly other products as soon as they were free, in 1935, from their obligations under the Ottawa fiscal agreements.

Naturally it came as a great shock to the Australian people to discover from the lips of so reliable an authority that their deeply rooted ideas that there was a market in Great Britain for all the meat and butter producable in Australia had no longer a sound basis.

Australia and Wheat

At a conference held in Canberra with ministers representing all the states except Western Australia, he dealt with the wheat problem and suggested that Australia's best course would be to limit voluntarily her exports and reduce her quota for 1934-35 by 20,000,000 or 30,000,000 bushels. His argument was that a voluntary restriction might preserve Australia's position and give room for bargaining when the present international wheat agreement expires; and he strongly advised ministers to co-operate with a view to entering into voluntary agreement so that the best possible figures for the quota might be obtained. In regard to the Rome Conference he favored the idea of a minimum price.

Voluntary Curtailment

In regard to other exports of farm produce, he advocated that Australia should undertake voluntarily to curtail her butter exports to Great Britain on the ground that such action would help to strengthen butter prices in the British market and also improve the Australian case when the British trade treaty with Denmark expired and further bargaining became necessary. He suggested the restriction of butter exports to a tentative figure of about 92,000 tons per annum, which is about 15 per cent below the level of recent years.

At this gathering he received an attentive hearing from the state premiers, but practically all of them were hostile to the idea of voluntary restriction.

In this and other speeches which he delivered his general thesis was that Great Britain was the only substantial market available for the agricultural exports of Australia, and the other Dominions, and that if Mr. Elliot and his allies succeeded, as they might easily do, in imposing all-round quotas it would be impossible to sell surplus farm products elsewhere.

So he went on to argue that the Dominions should organize their agricultural life to meet the new situation. His plan was that state boards should be set up in each Dominion to restrict production until it falls roughly to the level of the British quotas, which he thinks are inevitable. But, he argued that although the volume of production in these Dominions would thus be cut down, there would be no need for any substantial fall in the returns of their farmers for two reasons; firstly because the price raising schemes of Mr. Elliot, as the experience of his bacon quota has proved, distributes its benefits alike on the home producer and on the Dominion or foreign exporter; and secondly because subsidies hitherto paid to farmers in various ways would still be available as compensation for letting land go out of cultivation.

No Rabid Protectionist

Mr. Bruce incidentally advanced the thesis in some speeches that if the Dominions would only be prepared to restrict their exports of butter and some other products for two years until existing agreements between Great Britain and other countries like Denmark and Argentina expired, then there was a fair possibility that Great Britain impressed by the voluntary generosity of the Australians, would renew her trade agreements with the foreign countries concerned on conditions less favorable to them and enlarging the British market for Dominion produce. Mr. Bruce, whose private interests are those of the importer, has never been a rabid protectionist, and he missed no opportunity on his tour of impressing upon the Australian people that in their own interests they would be well advised to mitigate as far as possible the rigors of their protectionist system for the benefit of imports from Great Britain, and that they might reap a reward for a further series of judicious tariff concessions.

Opposition to Proposals

At first the Commonwealth ministry of Mr. Lyons seemed disposed to support Mr. Bruce's proposals for restriction of exports, and semi-official announcements were made to the effect that it contemplated legislation for the organization of the marketing of farm products and the regulation of exports to Great Britain as soon as parliament reassembled, but Mr. Butler, the premier of Southern Australia, took a very strong line against such action. As protests were forthcoming from agriculturists and other interests, Premier Lyons announced on April 30 that the Commonwealth Government would not institute any regulation of butter and meat exports "unless and until it was absolutely necessary." He admitted that there would be some virtue in preparing for contingencies that might arise from changes in policies of other countries including the United Kingdom. He explained that the Government was considering the best means of organizing the primary industries of Australia to meet this new position. It was, he said, trying to find a basis for consultation with the United Kingdom and the other Dominions and was also exploring the possibilities of finding substitute markets if the consummation of Mr. Elliot's ideas led to restrictions on Australian exports of butter and other products to Britain. He also indicated that the Government contemplated a rationalization of the agricultural marketing system to avert the confusion which might result if severe limitations were imposed upon Australia's export trade; but he was definitely plain that Australia would take no steps to restrict imports on her own account, and that the next move lay with the British Government.

Makes Little Headway

Mr. Bruce has now done everything that he possibly could to persuade his countrymen to face realities and take steps which would tend at least to temper the wind for the lambs about to be shorn by Major Elliot. So far he has not made much headway but he probably hopes that when the prospect of a curtailment of the British market becomes more imminently menacing, the primary producers of Australia must come to their senses and adopt a more conciliatory attitude before it is too late. Meanwhile he can derive some comfort from the fact that the farmers of the neighboring Dominion of New Zealand, who have a similar interest in the preservation of the British market have not shown any less obduracy than their Australian brethren, although their government has manifested more foresight than the Lyons ministry.

Policy in New Zealand

As long ago as last fall the New Zealand Government became alarmed at the new fiscal tendencies revealing themselves in the councils of the British Government, and they initiated enquiries about the future of British fiscal policy toward the Dominions. A series of exchanges by cable followed, and their text has now been officially published by the British Government.

The correspondence begins with the following enquiry on Oct. 25, 1933, from the New Zealand Government:

"There is a widespread belief on the part of producers in New Zealand that if we undertook a drastic reduction or removal of New Zealand's protective tariff on United Kingdom goods his Majesty's Government in the United Kingdom would guarantee continuance of unrestricted entry of New Zealand primary products. His Majesty's Government in New Zealand would be grateful if His Majesty's Government in the United Kingdom would indicate their attitude toward this suggestion."

Thomas Turns it Down

Rt. Hon. J. H. Thomas the secretary for the Dominions, replied on Dec. 22, 1933, that the suggestion would involve modification of British policy, and could hardly be considered with reference to New Zealand alone:

"Nor, we think, could an examination of such a question take place on the basis of a suggestion put forward by particular trade interests. For this reason we feel hardly in a position to give any further indication of our attitude than that outlined above (regulation of marketing), though we are, of course, at all times ready to give full and sympathetic consideration to any proposals of the New Zealand Government for the development of the mutual trade of the two countries."

Conference Is Called

The New Zealand Government then indicated (Feb. 28, 1934), that it was convening a conference of dairy producers to discuss the position of the industry. The conference would examine the suggestion for regulated marketing, and information was sought on the following points:

"(a) whether in the opinion of his Majesty's Government in the United Kingdom the present state of the market for dairy produce renders regulation necessary;

"(b) the anticipated advantages if a policy of regulation should be put into effect;

"(c) whether all milk products and substitutes, for example, edible fats, either imported or otherwise, would be included within the scope of regulation;

"(d) what measure of restriction of imports from New Zealand, from other Empire sources, and from foreign sources, would be deemed necessary and for what period;

"(e) how far it may be within contemplation of his Majesty's Government in the United Kingdom that in administration of such a plan of quantitative regulation there should be an opportunity for continuous representation of views of the Dominion as any such plan would vitally affect the major industry of the country."

Policy Is Outlined

To this Mr. Thomas replied on March 9, stating in his telegram that the situation in Great Britain had now changed. He recalled the abortive discussions of last year for the regulation of butter imports from Australia and New Zealand, explained the other form of assistance now given to British producers in the shape of the milk marketing scheme, and stated that "accordingly the question of import regulation is not now an immediate one so far as we are concerned. We have taken no steps to elaborate specific proposals for a regulated market in the interests of all suppliers." He added, however, to the New Zealand enquiries the following answers which were to be taken only "as by way of explanation of general principles."

"(a) You will appreciate that in the changed circumstances this question is a difficult one for us to answer and that the matter is one primarily for Dominion producers themselves.

"(b) Main advantage would no doubt be improvement of price and relative security of market. Clearly, however, the extent of the benefit would depend on the nature of the arrangement.

"No General Control"

"(c) Here again, no specific answer is possible . . . where products are largely interchangeable either at the point of production (e.g. butter and cheese) or at the point of consumption (e.g. butter and margarine) the regulation of one commodity may not be fully effective without the regulation of others. Where, however, the object is to restore the normal relation between the price of one commodity and that of others the question may not arise. No general control of fats has so far been contemplated.

"(d) In negotiations which have resulted in recent treaties with Denmark and other foreign countries, endeavor has been made to keep the position as open as was practicable, but it is not possible to give a precise answer to this question, which clearly depends on the supply situation existing at the time of any arrangement that may be made.

"(e) No plan would be complete which did not provide for proper consultation and liaison between the Dominion Governments concerned and the Government of the United Kingdom."

Study of Dairying

More than a year ago a prominent British agriculturist went out to New Zealand with the blessing of the British Government as an emissary whose aim was to induce the dairymen of New Zealand to accept a plan of voluntary restrictions of butter and cheese exports in order to facilitate the successful operation of the British Milk Marketing Board but he was met with a blunt refusal to consider such a plan from the New Zealand Dairy Board. Premier Forbes of New Zealand later tried his hand at persuading them to see reason but so far they have stubbornly resisted all this pressure and Mr. Forbes has been moved to declare that their attitude has strained relations with Britain and that the Government proposed to assume responsibility for the dairy industry.

It has announced its intention of appointing a Royal Commission to investigate the economic conditions of the industry, including the methods of farm and factory production in relation to quality, the necessity or otherwise for future governmental aid to the dairy farmers and the organization and stabilization of domestic and export marketing. It has been intimated that an improvement in quality will be the keynote of the Government's future policy in regard to the industry and the commission is also to be charged with the duty of making an investigation in Britain into the causes of the price spread between the dairy produce of New Zealand and competing products.

Consult With Canada

Such is the position in the two Antipodean Dominions. When Mr. Bruce reaches Ottawa he will be able to give the Bennett ministry complete first hand information about it. No hint has been given of the exact purpose of his mission here but it can be surmised that he will consult with our ministers about the possibility of evolving a common policy for all the Dominions in light of the situation created or about to be created by Mr. Elliot's plans.

The suggestion has been bruited in the London Times that coincident with the silver jubilee of the King's accession to the Throne which will take place next year and which leading Dominion statesmen will attend there should be held another Imperial Economic Conference. Its main business, if Mr. Elliot has his way, would be to work out a plan for petitioning among the Dominions a curtailed British market and any one who has a reasonably intimate knowledge of the proceedings of the Ottawa Conference of 1932 must view such a gathering with grave misgivings.

Australian Leader Comes to Canada

—Drawn for The Financial Post by Charles F. Comfort.

RT. HON. STANLEY M. BRUCE

Former prime minister of Australia, now High Commissioner in London, who is coming to Canada later this month to confer with Ottawa on the new situation created in Empire economics by Britain's new farm policy. He will post Mr. Bennett on what Australia and New Zealand are thinking and possibly urge joint representations by the three Dominions to the British government.

War on Waste

Banking and Commerce committee of the House of Commons, Ottawa, has recently voted expenses to these witnesses: Major C. H. Douglas, G. G. McGeer, J. B. Reed, and E. S. Woodward.

Major Douglas proposed a scheme that was outside the scope of the committee, and aired his views on "social credit" which have already been sketched in his books.

G. G. McGeer took over a day of the committee's time to repeat things he had already said.

J. B. Reed was speaking for farmers, and added nothing new to evidence that was submitted to the Macmillan commission last year.

E. S. Woodward submitted a scheme for stamp money, which, also, is nothing new. But he came from Vancouver to give his testimony.

With the exception of Major Douglas, these witnesses did not ask for payment of their expenses. Nevertheless, the committee started with Douglas, continued with Mr. McGeer, and then voted the expenses of the other two witnesses in question. By doing this, the committee was simply wasting the taxpayers' money to allow the witnesses to thresh old straw.

Stewart is Mystery Man Of Canadian Business

Tobacco Executive Must be Studied Against Background of Sir William Macdonald

By WELLINGTON J. JEFFERS

Probably one person in 10,000, who reads the Stevens Committee evidence of Walter M. Stewart, head of W. C. Macdonald, Incorporated, Canada's second largest tobacco enterprise, had ever heard of Mr. Stewart before.

You can look through "Who's Who in Canada" and other reference sources and find nothing about him. Newspaper files are bare. There is one authentic photograph of him in existence. The photographer who guards it would not think of letting it out without written authority from Mr. Stewart.

One of the few men who have ever been close to this mystery man of Canadian business said this week: "One who does not know Mr. Stewart, did not know his father and Sir William Macdonald before him cannot possibly appreciate how tight-lipped he is. I'll give you a dollar for every fact you can uncover about him."

But some facts have been unearthed.

Is Big Bank Shareholder

The list of shareholders of the Bank of Montreal, published in The Financial Post last week, showed him to be the largest single shareholder of that institution. Other members of his family are holders of large blocks of stock. His holding was 6,410 shares, worth about a million and a quarter at present market prices and paying a dividend of over $50,000 a year. His brother, T. Howard Stewart, holds 4,211 shares.

On his own evidence, Walter Stewart drew $260,000 last year from his tobacco company.

The Financial Post Directory of Directors lists him as a director of only one company, The Royal Trust Company. No one ever sees his picture in the papers although a daughter created a small sensation in Montreal by letting her photographs appear in a society publication about two years ago when she "came out."

"Stewart's" the Name

The other day the counsel for the Stevens Committee called out in the committee room at Ottawa "Is there any one here from Macdonald's?"

A quiet, unassuming but very embarrassed man rose near the back of the room. His vest was not entirely buttoned up and his tie was slightly crooked. He said meekly, almost inaudibly, "Yes."

No one recognized him. "What is your name?" he was asked.

"Stewart." This was probably the first word ever spoken by Walter Stewart in public. A shy man, retiring. No doubt his mind today is a confusion of emotions as he contemplates the eight column headlines about his evidence.

Challenges Committee

When he came before the committee last week he leaped to the offensive. Sworn, his first remark—this before any one had started to ask the normal questions that identify a witness in the evidence—was:

"May I make a statement? Have I got a right to speak?"

The somewhat nonplussed committee assured him he had. He blurted out, challengingly:

"Have I got the right to call three members of the government and question them before this committee?"

The committee never quite caught up with Stewart. They had never had experience with a witness like this. He answered questions by asking others—some of them embarrassing, even if not pertinent.

He produced many surprises: Take the Hodge Tobacco Company affair. Here was a company in which W. C. Macdonald, Incorporated, held fifty-one per cent of the stock. Yet he never looked at the annual statements sent him; he refused to accept dividends, which went entirely to the holders of the forty-nine per cent minority interests.

"Why are you bothering us today? You have always treated us as being of no importance," was his challenge to the government.

And then, a few days later, an apology to the Prime Minister, which was made, it is understood, at the behest of one intimate friend.

Successor to Macdonald

It is all difficult to understand without first of all remembering that he is the successor of the man whose little tin tobacco labels found their way to many a church collection plate on Sunday morning, as plug-chewing Canadians passed them off for nickels, and whose Brier cut was smoked in every province.

Sir William Macdonald was one of the most eccentric of Canadians. During his life time, many stories were told of his peculiar habits; how he built an enormous fortune out of Macdonald's plug tobacco and gave most of it away although he was stingy in personal expenditures and medieval in business habits. No raucous telephone bell ever rang in his office; no typewriter keys ever jangled his nerves. A roll-top desk served as the presidential suite; a tall, old-fashioned, bookkeeper's desk served as executive offices. The man who stood at the bookkeeper's desk and who wrote out the long hand letters that were copied on an old-fashioned copy press was Walter Stewart.

One cannot tell the story of Walter Stewart without talking about Sir William Macdonald. Sir William is the background for the Stewart picture. If, in what follows, there is too much Macdonald and too little Stewart, the answea is that the two stories are inseparable.

Followed in His Footsteps

When Sir William C. Macdonald died all his vast business went to Walter M. Stewart and to T. Howard Stewart, brothers, who had worked in his office and under his eye for years.

There was no blood relationship but these men were his business sons in a real sense that actual sons rarely attain. They had grown up in his shadow, knew his ways of doing business and absorbed his ideas.

Father Helped Build Fortune

These boys owe their immense good fortune to their father as well as to Sir William Macdonald. The late David Stewart entered the Macdonald business in the early seventies and Sir William came to rely on him as his chief mainstay. He was so much Sir William's confidential man of affairs that people doing business with the firm came to consider his word almost as much law as Sir William's.

Sir William used to say that David Stewart was the only man he could trust unfalteringly. One day in 1914 he called him into the office and said, "I have no near relatives. You are the only man I can trust with this business. Except for the first 15 years you know it from the beginning and the principles on which it is built. I am going to make you my heir and I want you to know now."

Chips of the Old Block

A few weeks later David Stewart was struck down by a paralytic stroke while at his desk. He lingered on until December 1, 1917, but was never able to speak or move from his bed. Sir William let his will stand as it was and in the end he died six months before his former lieutenant. But he knew that this meant the business would go to the Stewart boys. He is said to have called them in as he had done the father and told them that he considered them as his heirs now that the father was helpless. It was his intention to write a new will if David Stewart had predeceased him. He did tell the boys that his intention held because he thought they would live up to the standards set by the father.

"The rest," he said, "is up to you. If I feel by your work that it is safe to leave the business with you, things will stand. I hope you will show that I am making no mistake."

Made No Mistake

He soon decided that he was not making a mistake. For ten years before his father's illness Walter M. Stewart had been leaf buyer for the Macdonald firm in the United States, a most responsible post. Sir William took him into the head office in his father's place and like his father he became the confidant of Sir William and was instructed in the highly individualistic Macdonald way of doing business. Since Sir William Macdonald died, therefore, the business has continued as a one-man business along old lines so far as principles are concerned. Started in 1858 it still is a one-man business but the one man is now Walter M. Stewart, carrying on in many ways as Sir William would have done.

The Macdonald way of doing business, the hatred of waste of time or money or material, the disdain of show and gew-gaws, the willingness to spend freely for proved modern machinery, the passion for improving products and for making things grow, were all part of a great tradition known to business men from coast to coast. The two Stewarts were part of that tradition. They had grown up into it. It has permeated them.

They were men of their word. Sir William would do business with no other kind. He would cross a profitable account off his list if his customer demanded some considerations Sir William considered unethical.

The Stewarts were Macdonald men through and through but they were Stewarts, too. Especially Walter, who eventually bought out his brother's interest.

No Time-Wasting Letters

Great as Sir William was, in some respects the times had passed him by. All sorts of stories circulated around business circles as to his aversion to the telephone and to typewriters. He thought the telephone stood in the way of business by leading to less personal contact between those who did business. And as for the typewriter, he was against too much letter-writing. Waste of time, paper and money he thought it. Orders came in; fill them; bill them; expressed his idea of all that was necessary.

A ceaseless flow of letters at all points of any commercial transaction to him were an abomination. He prospered that way, too, because men understood him, his inflexible sense of honor, his devotion to his business and his habit of playing fair with customers. They might not get letters about it but they knew that some day their order would be filled and in good time the goods would arrive.

Walter Stewart believes in all the things Sir William accomplished but they are not an end to him so much as a station on the way. He was not content to leave the products where they were when Sir William died in 1917. The telephone and the type writer are now in the office and the staff has increased to 30. But overhead is still kept low.

Macdonald's Plug

In sixty years of business life Macdonald's plug had become the Made before Canada was federated, inevitable accompaniment of pioneer effort in a growing country. Macdonald's plug became the established habit of the farmer, the fisherman, the lumberman, the miner, the prospector, the Hudson's Bay trader, the Indian and the Eskimo. In dark licorice-like streams these men ejected it into Atlantic, Pacific, Arctic, Hudson's Bay and all the inland waters as they pursued their respective adventurous ways. One could have followed the trail of advancing frontiers in all parts of the Dominion by the salivary stains that mingled with the soil. What is more, those lusty men swore by it and so they did by the companion Brier plug for smokers.

Switched to Cigarettes

Almost immediately on taking over the firm, Walter M. Stewart was faced with the need of making a major decision. Instead of relying on the firmly established Macdonald Brier for smokers and Prince of Wales chewing tobacco he realized the trend of the times. He saw that the chewing of tobacco is becoming a lost social habit in many parts of Canada and that smokers want a shorter smoke in these strenuous times. The old business continues and Macdonald will never let the old smokers and chewers down that depended on them, but Stewart turned the business on a new and successful tack when he began to manufacture cigarettes in 1917, and the new products he has started have had an enormous sale. Even in the depression, the sales of cigarettes by this company have been increasing materially.

Sir William C. Macdonald built up his business in a day when a large business could be built up by such a man without advertising, and he did not advertise. Walter M. Stewart is even with the age; he does advertise, and extensively. He has spent $7,000,000 on advertising since Sir William died.

Sticks to Main Job

Sir William would not accept directorships and vice-presidencies with this and that company. He thought that a business man had enough to do to attend to his main business and so the only boards he could be induced to join were those of the Bank of Montreal, of which he was the largest shareholder, and of the Royal Trust Company. Walter Stewart is like that too: he remains the largest shareholder of the Bank of Montreal, although he is not a director, and he is a director of the Royal Trust Co. He is no joiner; he attends to his business and wants other people to attend to theirs.

Walter M. Stewart is probably now, or on the way to becoming, a richer man than ever Sir William Macdonald was. He may have temporarily reduced ready funds by buying his brother out. That $2,500,000 capital withdrawn from the business at the rate of $5,000 a week may have something to do with that purchase.

Macdonald Spent Well

Outside his business Walter Stewart is so far a man of mystery to most Canadians. In this he differs from his great predecessor. Sir William spent his money in millions so wisely and well that he will go down in history for his spendings and not his makings. James McGill founded the great McGill University but Sir William Macdonald did so much for it that it might justly be called Macdonald University. The Mass Buying Committee at Ottawa is asking leading tobacco executives as to the methods by which they dropped prices paid to tobacco growers and is driving home the plight of the tobacco growers by eliciting startling information as to the total salaries drawn by chief executives. But Sir William, who made his money out of raw tobacco leaf imported from abroad and processed in Canada, probably did more with his money for Canadian farmers than any other Canadian millionaire.

Believed in Learning

Sir William had in the nth degree the Scot's traditional passion for education. Advised by that great educationist and agriculturist, Dr. James W. Robertson, he put up the money for encouraging manual training, for establishing consolidated rural schools with adequate buildings and staff, and for school gardens under experienced tuition. This money was spent all over Canada. He started seed grain competitions for boys and girls. It is believed that many millions of dollars were added to Canadian farms as a result of the interest inspired in the value of proper selection of seeds.

All of these interests eventually led to the crowning step of establishing Macdonald College. Sir William was thoroughly convinced that one of the great needs, if Canada were to realize its potentialities, was to train teachers to carry the last results of science out into the field and the mine, the forest and the factory and the sea. Teachers' training courses were established, household science, both at Macdonald College and Guelph, was given a high place, engineering, physics and chemistry buildings were erected and endowed at McGill University. In every way Sir William tried to improve the means for enabling Canadians to help themselves. The extremely useful life of this Prince Edward Island boy of highland ancestry is forever part of the educational annals of Canada.

Walter M. Stewart may show

(Contined on page 16)

Insurance For Buyer and Seller

PROVIDENT CO'S IMPROVE SURPLUS DESPITE LOSSES

New Capital Aids in Offsetting Loss on Operations

MORE PLANS MOOTED

New Auto Rates Now 10% Below Tariff—Why Printed Statements Differ from Gov't Report

From Our Own Correspondent

MONTREAL—A small gain in free surplus despite a substantial loss on operations during 1933 is shown in an analysis of the statements of the "Provident" group of companies.

The three companies in this group (which last year wrote the largest volume of automobile insurance in Canada of any group either tariff or non-tariff) comprise Provident Assurance Co; British Colonial Fire and Trans-Canada Insurance Co. The group as such has only been operating for considerably less than a year, and is under the general managership of J. H. Pigeon. Hon. P. R. duTremblay, of Montreal, is president.

One Company Shows Gain

Total net loss for all three companies on the year's operations is shown at $142,793 according to figures submitted to the various governments under which the companies operate. A year ago the corresponding figures for the same three companies showed a net loss of only $38,057. The only company in the group to show a net gain for the year is Provident Assurance which showed a profit of $30,319. British Columbia suffered most with a loss of $146,000.

Comparative figures for the three companies follow:

Net Loss or Gain For Year*

	1933	1932
	$	$
Br. Colonial	—146,281	—90,124
Trans-Canada	—26,861	+87,749†
Provident	+30,319	—35,682
	—142,793	—38,057

* Minus sign denotes loss; plus sign profit.
† Includes $39,920 new capital (call on capital stock).

Assets are $2,364,000

Net admitted assets of the three companies at the end of 1933 total $2,364,109 according to government figures. This compares with a similar total for 1932 of $2,521,612. Paid-up capital remains unchanged in each case for 1933 giving a total protection for policyholders by way of paid-up capital, plus free surplus of $748,183. The corresponding figure in 1932 was $718,293.

The gain in free surplus despite the loss on operations during the year, was achieved by reason of the fact that during 1933, the capital stock of the British Colonial Fire was reduced from a par value of $10 to a par of $5. At the same time a subscription on account of capital stock was made by the new Provident management exactly equal ($100,340) to the amount of capital previously outstanding. Thus the impairment in capital which would otherwise have occurred was averted and the position of the company materially strengthened—its net surplus decreasing only by $40,000 during the year instead of by the larger figure which would otherwise have been the case.

Comparative figures follow:

Surplus and Capital, Dec. 31

	Free Surplus— 1933	1932	Paid-up Capital 1933
	$	$	$
Br.-Colonial	64,331	104,210	†100,340
Trans-Canada*	—34,369	2,625	199,860
Provident	113,241	6,478	304,180
	143,203	113,313	604,980

* Minus signs denote capital impairment.
† During 1933 paid-up capital of British Colonial was reduced from $10 to $5 par. Amount outstanding however remains unchanged due to the subscription, on account of capital stock, of an equal amount of money ($100,340) by the new Provident management.

The present management of these companies has explained to The Financial Post that since the three companies have been taken over, substantial economies of operation have been introduced; losses have been materially cut and many former practices which are considered unsound, abandoned. It is also pointed out that many of the worst features of the year's results must be attributed to situations which developed prior to these companies entering the Provident aegis, and that results under the new management during 1934 to date, show marked improvement.

Printed Statements Different

Figures issued by these companies in published statements reveal many discrepancies with the above items. Reason for this is that except in Ontario, companies need not conform in their published statements with the figures they submit to the government. Thus for British Colonial Fire the published statement of the company shows a free surplus of $167,282 over and above paid-up capital. The corresponding figure submitted to the government is $64,331.

Similarly with Provident Assurance Co. a statement published by this company in Quebec, shows free surplus of $237,809 as compared with a figure reported to the government of $113,241. In the case of the Trans-Canada, the difference is $5,872, the published statement showing a capital impairment of $28,497 against a government figure of $34,369.

Non-Admitted Assets Included

Reason for these differences is the inclusion in printed statements of many items as assets which are not admitted as such by insurance jurisdictions. Such items include agents' balances overdue more than three months; plans and furniture; head office real estate when carried at book value, etc.

These differences also appear in respect of total assets. Thus assets as shown in the printed statement of British Colonial are $807,000—or $293,000 more than the figure of net admitted assets of $514,000, reported to the government. This is largely explained by the fact that the printed statement carries investments at book value and sets up an item of over $200,000 as investment reserve to bring book values in line with authorized values. In the case of the Provident Assurance Co. the French statement of the company's position shows assets of $1,470,000 while the government report shows $1,359,000.

New Rate Books

According to officials of the group, new rate schedules and rate books for automobile business have recently issued for use by agents of all three concerns. The rates are approximately 10 per cent under the "tariff" company schedule and in addition, a simple type of "accident" policy is being offered to policyholders as a special inducement. It is understood that the entire risk on these accident policies is reinsured with Lloyd's and is therefore not borne directly by the company.

Plans for further strengthening the position of the three companies in the group are said to be under way. Whether this company will be specifically aided financially or whether an attempt will be made to strengthen the three companies by merging their assets, is apparently undecided as yet.

No More "Synthetic Fleets"

Most recent addition to the group was taken over as at last August. Trans-Canada was acquired as at the beginning of June, 1933, although the change in management was not completed until early this year.

One move which the managers state they have made, is the elimination from underwriting, of so-called "synthetic" fleets which it was felt were not profitable at the rates at which they were being taken. This does not apply to such policies already on the companies books, it is understood.

St. Honoré School Corp. Can't Pay on Bonds

School corporation of St. Honoré, Que., is not in a position to pay anything to its creditors at the present, the Quebec Municipal Commission reports. Coupons on the corporation's bonds have not been paid since May 1, 1932, and maturities of bonds have not been met since Nov. 1, 1932.

With the exception of Price Bros. Co., and about ten other persons, taxpayers of St. Honoré are unable to pay their taxes, the commission states. Farmers in the area have had to ask the Government to provide seed, it is stated. A report on the position of the school corporation has been published by the commission.

Drastic Measures Urged For Policy Dividends

C. C. Ferguson Suggests Correct Method of Dealing With Policyholders When Investments Slump

When policyholder dividends are to be cut as a result of depreciation in investment values, the proper procedure is to make the cut by eliminating the "interest profit factor entirely," according to C. C. Ferguson, general manager of the Great-West Life Assurance Co., in a paper presented to the Tenth International Congress of Actuaries at Rome last week.

Interest profit factor was described as one of the three sources of life insurance profit, which are: interest earnings mortality and expenses.

Long Term View Best

Mr. Ferguson warned that the proper course to pursue in the best interests of policyholders was the long-term view irrespective of whether it made the path steep and rough at the outset. "It pays, in life insurance, to make a drastic temporary reduction in profits rather than to make a more moderate reduction that will probably have to continue for a considerable period." He pointed out that if the interest profit factor were eliminated entirely it would probably mean a cut of about 50 per cent in policyholder dividends on the average, although the burden would fall hardest on the older policyholders.

"It may be thought that the suggestion of reducing the profit scale by as much as 50 per cent was somewhat lightly made as though it were a matter of little present moment. A drastic step of that character does involve serious consequences, but the writer is firmly of the opinion that, given the need, the wise course is to immediately reduce the profit scale to such a point that profit scales can be reasonably expected in the future that will show increases from year to year instead of either further decreases, or a stationary condition suggestive of stagnation. In the light of improving policy results, the memory of the unfortunate past will soon fade, to be replaced by a growing feeling of satisfaction among the policyholders."

Shareholders Affected

Mr. Ferguson warned also that such a policy might drastically affect holders of life insurance shares since in Canada, the amount of the dividend to shareholders depends "to a large extent upon the amount of the profits paid to policyholders." Consequently a material reduction in the profit scale will automatically reduce the credits to shareholders.

His address in part was as follows:

"The decline in investment values, which has taken place during the past few years, has forced many Canadian life companies to reduce their profits to policyholders. Doubtless there have been similar developments in other countries. In Canada the reductions were effected in a variety of ways and in varying degree and, possibly, if the process has to be repeated, different methods might have been employed in consequence of the experience acquired.

Appraising Depreciation

"A serious problem arises in that it is very difficult to appraise the amount of the depreciation. A portion of the investments is in mortgages or in securities for which no stock exchange quotations are available and, even where such quotations are available they are a doubtful measure of intrinsic value. It is submitted that it would be unfair to the present generation of policyholders to make such a reduction in the profit scale as would enable the company to immediately write-down its investments to the values obtainable for them on a forced sale in a seriously depressed market.

"On the other hand, there should obviously be such adjustment in the profit scale as would make good, in such time as seemed appropriate, the full amount of depreciation, which has actually taken place in the permanent intrinsic value of the investments. This is a matter for the exercise of good judgment.

"If the investments are looked at en masse it is easy to fall into erroneous conclusions. A better method would be to consider each investment separately and, having some regard to market values where available, but chiefly taking into consideration the probabilities of receiving back principal and interest, endeavor to assign to each item a fair intrinsic value. If some rule is considered desirable, a reasonably good one is that authorized by some of the governmental insurance departments, namely that investments in good standing and in no apparent or immediate danger of default, may be valued at their amortized book values. This will usually eliminate the necessity of giving detailed study to a large majority of the investment items, permitting a closer concentration on the remainder.

Eliminate Interest Profit

"Assuming that the investments have depreciated sufficiently to justify the step, it is submitted that, both with regard to theory and practice, the proper procedure is to reduce the profit scale in a very large reduction in profits in the case of certain policies and in a very small reduction in the case of other policies.

"For example, under an endowment assurance nearing maturity, the profits almost exclusively derived from the interest factor are ordinarily very small. Thus the elimination of the interest factor would mean in the first instance a considerable reduction in profits, while, in the second instance, the reduction would be only nominal. For policies between these extremes, the reduction would vary according to the amount of the individual reserve value. On the average the reduction, consequent upon the entire elimination of the profit from interest, might be about fifty per cent.

Explaining to Policyholders

"It is admitted that there may be some practical difficulty in explaining to the holders of the older policies why their profits are being subjected to such a relatively large reduction. Explanations, however, would be necessary no matter what rule was followed in reducing the profit scale. If, for instance, the scale were reduced among the holders of recently issued policies the dissatisfaction would have some measure of justification, whereas, under the other method, reasons could be given which, though they might be difficult to comprehend, would nevertheless be sound and convincing to those capable of understanding them. On the whole, it may be predicted that there would be fewer cases of dissatisfaction if the reduction were made by eliminating the interest factor from the contribution formula.

"The business of life insurance has a special interest in the future. It is a business of long-term contracts. It must therefore have long-term views. To grasp a present advantage, involving serious future penalties, would be like taking a pleasant tasting dose of slow-acting poison. On the other hand, it always pays to select of two roads the one which, though it may be steep and rough at the outset, promises easier travelling conditions on the whole.

"It pays, in life insurance, to make a drastic temporary reduction in profits rather than to make a more moderate reduction that will probably have to continue for a considerable period. Especially is this true at a time of world-wide economic confusion, when rigorous policies of retrenchment and curtailment are expected and sometimes applauded, even by those who are the immediate sufferers."

Insurance Inklings

T. H. N. FLEMING has been appointed manager of West Toronto branch of the London Life Assurance Company. Mr. Fleming was formerly manager of the Calgary district branch.

A. K. KEMBAR has been appointed New Brunswick provincial manager for the Dominion Life. Mr. Kembar was formerly attached to the company's Toronto branch.

Dr. NORMAN MASSE has been appointed medical advisor of the Montreal Life Insurance Company, succeeding the late Dr. George C. Anderson.

R. S. ADAM, C.L.U., has been appointed branch manager for London for the North American Life Company.

J. A. L. ROBINSON, formerly London manager for the North American Life, has been promoted to the position of special representative at head office of the company.

J. V. SIVIL has been appointed district agent of the Life Branch of the Dominion General Insurance Company at Owen Sound.

J. VICTOR OWEN has been appointed Canadian manager of the Guardian Assurance Co. of London, Eng., to succeed Bertram E. Hards who is retiring after nearly 50 years with the company. Mr. Owen was formerly assistant manager.

Monarch Life Reports Increase in Paid Business

Monarch Life Assurance Company reports that new paid for business for the first four months of the year shows an increase of 15 per cent over the amount paid for during the same period of 1933.

Further, it is pointed out that the average premium per $1,000 of policies issued this year is 4 per cent higher than the average premium for the same period last year.

The demand for policy loans is definitely on the decrease, the company states, the total this year being considerably less than a year ago.

To Ask Further Extension Drummond St. Realty Debt

A request for further extension of postponement of interest and sinking fund on Drummond Street Realty 6½ per cent general mortgage bonds, due 1942, is expected at an early date, The Financial Post is informed.

In February, 1932, interest was postponed until Feb. 1, 1934, and sinking fund to Nov. 1, 1934. It is to extend this postponement that the request is expected. The amount of first mortgage bonds, originally issued to the extent of $625,000, has been reduced to $572,800, it is understood.

NON-MEDICAL RISK HAS PROVED SOUND SAYS VICTOR SMITH

Canadian Experiment of 1921 Now Common Practice in America

Canadian companies can look back with satisfaction to the experiment in which they pioneered on this continent in 1921, namely the selection of life insurance risks without medical examination. This is the conclusion offered by V. R. Smith, general manager and actuary of the Confederation Life Association in an address prepared for the tenth international congress of actuaries held at Rome last week.

Mr. Smith reviewed the history of this development and outlined the continued success which companies were meeting with in this type of selection as opposed to risks accepted after medical examination.

Restrictions Removed

He pointed out that one of the best indications of the success of the experiment was the fact that the original restrictions on this type of policy have been gradually reduced and the limits extended, and that practically all companies doing a life insurance business on the North American continent are now actively canvassing for business on this basis. Today the usual limit is $5,000 at any one time or in any 12-month period, with a maximum total insurance on a non-medical basis of $10,000. Several companies have set no maximum which may be accepted over a period of years. The age limit has been lowered to 10 by most companies and although a few companies have raised the upper limit to 50, the general tendency has been to maintain the original limit, 45, a few companies lowering it to 40.

"The satisfactory results may be assigned to a number of causes; first, the limitation as to age and amount; second the cautious methods employed by the companies in their selection of the business; third, the excellence of the independent inspection report; and, fourth, the fact that the men engaged in selling life insurance are, on the whole, a high type, carefully selected, honest and honorable. The fourth reason is very important and it is worth while recalling the opinion of Mr. Henry Moir, expressed in 1921, as follows:

"'My viewpoint of insurance without medical examination is that the grip the company holds upon its agents is one of the important elements. If its agents are well trained, have been long in the service and are careful, honorable men, the danger incurred by the company is comparatively small, but business from temporary agents, or brokers, must certainly be cut out.'

"The experiment begun in 1921 by the Canadian companies has proved entirely satisfactory, so much so that now it is accepted as a matter of course. Strenuous objection would be offered to its discontinuance."

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

A Young Girl's Savings

I am an office girl in a small town and receive a salary of $15 a week.

An insurance agent asked me to take out an annuity with a very reliable firm, but I believe I cannot afford to do so. I think an annuity is more suitable for teachers and other workers who receive larger salaries.

I am putting my money in the bank when I find it possible, and believe that this is a much better plan.

Will you please give me your opinion in this matter?

Although your salary is not very large, if you are able to save something regularly each week and build up a bank or savings account, there is no reason why you should not, sooner or later, consider some type of annuity on a moderate scale.

There are many aspects of this matter which you should consider.

For instance, it might be unwise for you to commit yourself to an annuity without first having a few hundred dollars put away either in a savings account or in Government bonds, which would be available to fall back upon in the event of anything happening which would temporarily prevent your continuing the annuity payment.

One great virtue of some type of annuity contract on a small scale would be that it would present a definite incentive for you to save.

Another consideration is the fact that by investing in some type of pension bond or retirement annuity you are solving two problems in one. You solve the problem of where to invest your current savings and also the problem of what to do with your life savings once they are accumulated. Thus, if you were to save a small fund each year by way of a bank savings account or Government bond you might, at the end of 20 or 25 years, find yourself with a considerable amount of money entailing considerable responsibility on your part as to how it might be best invested. Some type of pension bond would end both these problems for you and would free you from any responsibility in the matter.

It is never advisable to tie oneself up to too large a savings plan. On the other hand, there is much to be said for attempting a definite savings plan as early as possible in life, no matter how small it may be.

Argyle Motor Services Earns Operating Expenses

Earnings of Argyle Motor Services Ltd., Halifax, are reported sufficient to take care of interest on a $35,000 prior lien mortgage and other expenses exclusive of bond interest. Due to the prior lien, it is understood that the first mortgage bondholders cannot enter into possession of the property.

The prior lien was created following default of sinking fund on the company's six per cent bonds, due 1948, in May 1931. The bondholders approved this move in the hope that the new capital might place the company on an earning basis, and thus a $35,000 prior lien was given in favor of the General Trust and Executor Corp. Interest on the bonds was defaulted on May 1, 1932, and has been unpaid since.

Conservation Plans Solved Heavy Policy Surrenders

Industrial Insurance Weathered Depression Storm by Ingenious Methods—Now Stronger Than Ever — Inherent Value Proven

By J. D. BUCHANAN, B.A., F.A.S.
Actuary, London Life Insurance Co.
Paper read before the tenth International Congress of Actuaries at Rome

An outline of the progress of industrial insurance during the six years since the 1927 London Conference resolves itself largely into an account of the effect of the world-wide depression and especially its accompanying unemployment, on a business which, because it is confined to the industrial classes of the population, is peculiarly sensitive to such conditions.

The extent of unemployment in Canada during the latter part of the period covered has been estimated by the Unemployment Research Committee of Ontario in their report on "Unemployment and Relief in Ontario 1929-32" published about July 1932. Their survey covered the industries of manufacturing, logging, mining, communication, transportation, construction, service and trade, which ordinarily employ about 75 per cent of the non-agricultural workers in Canada.

Much Unemployment

According to their figures about 8.5 per cent of the workers in Canada were unemployed in 1929. In 1930 the average was 15 per cent, in 1931, 25 per cent and for the first six months of 1932, 35 per cent. These unemployment figures give a background against which to examine the following table which shows the progress of industrial insurance in Canada, as reported to the Insurance Department of the Dominion.

Business in Force, December, 1931

Year	No. of policies	Amount of insurance	Premium income
1926	3,663,869	623,835,179	27,879,115
1927	3,864,727	677,746,062	31,083,493
1928	4,066,667	748,835,230	34,474,110
1929	4,246,678	822,403,277	37,991,019
1930	4,282,747	854,398,811	40,567,055
1931	4,245,242	845,228,786	40,508,638
1932	4,097,592	825,604,208	40,521,759

Well Conserved

When the unemployment figures are kept in mind it is remarkable that the industrial insurance in force in Canada has been so well conserved. The record as far as premium income is concerned is particularly good. Even during the years 1931 and 1932 when unemployment had grown to almost catastrophic proportions, the total paid to the companies in premiums was maintained at a figure well above that for 1929, a year of great business activity in Canada with a small percentage unemployed.

As will be seen from the table, the heavy lapses and surrenders of the depression years first caused a slowing down in the increase in business in force and in the last two years caused a decrease. This has resulted in most of the companies showing an increased surplus on account of the relief from the strain of putting on additional increase in business. As this surplus is of an artificial character and will probably be required to replace the business which has been discontinued on account of greatly reduced business activity, lowered incomes and unemployment, the companies have not increased the dividends allotted to policyholders. Any increased surplus has been used either to strengthen reserves or to provide emergency funds.

Keep Business in Force

One of the outstanding developments of the period has been the introduction by all companies of various plans to assist policyholders to maintain their insurance in force while they are unemployed.

One of the first methods used was to allow the policyholder to surrender one of the policies in the home and apply the surrender value on the premiums of other policies in the same family; that is, one policy would be sacrificed to save several others. Such surrenders have been allowed by some companies after a policy is three years in force, although the contract requires that premiums be paid for ten years before a cash value is available.

At least two of the companies have permitted changes in industrial policies involving in some cases transfer to a lower premium plan and in others change to a smaller amount of insurance. The allowance on account of the change is applied to pay premiums on the changed policy and on other policies in the same family.

One company has a premium loan plan under which a loan may be obtained for the purpose of paying premiums in advance. Under this privilege policies one year in force are allowed a premium loan of 13 weeks' premiums, policies two years in force a premium loan of 26 weeks' premiums and so on up to a maximum of 130 weeks' premiums. This privilege is of great value in many cases but involves the difficulty that it is taken advantage of by some policyholders who could probably continue their insurance without the use of this privilege.

Increase in Cash Surrender Values

In spite of the various plans adopted by the companies to maintain business in force, the withdrawal of surrender values has grown to very large proportions. It has been found necessary on account of the distress prevailing among industrial policyholders to be more lenient in granting surrenders than is provided by the policy contract. Cash surrender values in industrial policies according to the contract are not usually available until the policy has been 10 years or more in force, but this benefit has been granted quite generally in cases of hardship even if the policies are less than 10 years in force.

The total amount paid out in industrial surrenders in one Canadian company increased from $233,897.97 in 1927 to $2,136,734.34 in 1932. The payment of surrender values has no doubt in many cases postponed the necessity of applying for public relief and has thus reduced to some extent the burden on the taxpayer.

Effect of Depression on Agency Force

On account of the high lapse rates experienced from the year 1930 on, the companies have been confronted with the problem of how to maintain their agency forces whose incomes have been greatly affected by the changed conditions. In the past agents have received a salary for collecting the premiums on their debits and have been paid a commission based on the weekly increase in premium. The great difficulty, and in some cases the practical impossibility, of producing increase has reduced the agent's income to such an extent that it has been necessary to make various modifications of agency compensation methods. These have had the effect of reducing the charge against the agent for lapsed business by one method or another, so that a reasonable income could be obtained by writing a satisfactory volume of new business.

The agency staffs of some companies have been spending an increased portion of their time writing ordinary insurance. This has had the effect of keeping up the income of agents who were unable to secure increase in debit and, no doubt, has prevented the loss of the services of a great many agents. It is possible that the success of industrial agents in writing ordinary insurance may become a permanent feature of the business.

Mortality Experience

The mortality experience of one Canadian company writing industrial insurance does not show any significant change during the period under review. The experience covers industrial policies for less than $1,000 of insurance issued on both male and female lives. The experience of the year of issue and the subsequent calendar year is omitted, partly to minimize the effects of selection but chiefly to eliminate the effect on the exposure of the high lapse rates of the first few months after issue. The expected deaths have been calculated on the basis of the Standard Industrial Table of mortality.

Year	Expected Deaths	Actual Deaths	%
1925	3,591.0	1,693	47.1
1926	3,786.3	1,783	47.1
1927	3,905.8	1,839	47.1
1928	4,056.0	2,028	50.0
1929	4,188.8	2,172	51.9
1930	4,408.8	2,248	51.0
1931	4,177.6	1,977	47.3
1925-1931	28,115.9	13,740	48.9

Increase in Limits

In the year 1931 the total amount which could be paid on the death of a child under ten years of age under the Provincial Insurance Acts was increased. This has resulted in decidedly larger death benefits being included in policies on children. A schedule of death benefits as permitted under the new and old bases is shown below:

	Old	New
Death before age of 1 year	$ 20	$100
" " " " 2 years	50	200
" " " " 3 "	75	300
" " " " 4 "	100	400
" " " " 5 "	130	500
" " " " 6 "	160	600
" " " " 7 "	200	700
" " " " 8 "	250	800
" " " " 9 "	320	900
" " " " 10 "	400	1,000

An analysis of the experience of one of the companies writing a large volume of children's insurance does not indicate any appreciable increase in the death rate among insured children as a result of the increased benefits.

Double Indemnity Benefits

The industrial companies added a double indemnity benefit in 1929 to their standard industrial policies providing for the payment of double the amount of the policy in the event of death by accident. The usual restrictions found in this benefit as issued on ordinary policies apply and in addition for certain hazardous occupations the extra benefit is limited to 50 per cent of the face amount of the policy. No change was made in premium rates when this benefit was added. In the case of one company for which experience is available, the claims under this benefit for the years 1929 to 1932 inclusive amounted to 3.2 per cent of the total claims.

In recent years there has been an increased effort toward placing a greater portion of industrial insurance on the lives of the heads of families. While it is recognized that industrial policies can be used effectively to insure all members of the family, it is much more important that the heads of families be insured than the wives and children, and that the breadwinners carry a much larger amount of insurance since family support is dependent generally upon their efforts.

As a result, there has been a tendency toward an increase in the average policy issued, although this development has been influenced by the economic conditions of the past few years. Two of the companies have introduced monthly premium policies which are issued mainly in large amounts. Another company has had outstanding success in the sale of weekly premium policies issued for not less than $1,000 with a lower rate of loading than smaller industrial policies. The introduction of attractive plans for larger industrial policies has made it possible for heads of families buying reasonable amounts of industrial insurance to secure these policies at lower net cost and at the same time has tended to reduce the number of policies per million of business.

Improved Agents

The selection and training of agents has always been one of the outstanding problems of industrial insurance companies since success in the business depends so largely on the efficiency of the agency organization. The standard of selection of agents determines the quality of the business sold, the conservation record of the company, the rate of turnover among agents and, to some extent, the rate of expense. Business sold by the better type of agent is generally appreciated by policyholders because it is sold on its merits and to meet the needs of the individual. Such business is much more likely to be continued in force.

The companies during recent years have been active in developing methods of training the new industrial agent to fill his place in the company's field force as quickly and effectively as possible. Definite training courses have been worked out and although this phase of the business is still largely in an experimental state, it is evident that much may be hoped from it in the future. Already there are clear indications that much of the wasted effort involved in the employment of improperly trained agents may be eliminated. Not only is this desirable from the standpoint of reduction in expense to the companies but from the point of view of the public it should mean much more satisfactory and effective service to industrial policyholders.

Tribute to Value

That the industrial insurance business has been so well maintained through such a trying period is a tribute to its inherent value to community welfare. No doubt in future changes in methods will be made, but the experience of the last few years indicates the soundness of the fundamental principles on which the business has been conducted.

N. S. Ranchers Close Good Season

The Nova Scotia Fox Breeders' Association, at Bridgetown, which comprises ranchers from Kings, Annapolis and Digby counties, is closing a most successful season, having, within the past few months sold 5,400 pelts, realizing over $200,000. Three years ago this business was at a low level, the pelts selling at an average price of $19. Today's prices averaging $37 per pelt are most encouraging and are expected to result in a greater expansion of the business.

Fostering Involuntary Thrift

The greatest cause of poverty is not inability to earn, but neglect to save.

One of the first merits of life assurance is that it instils thrift regularly and systematically into those who lack the will-power to save.

It is a constant brake on families that spend too freely.

It thereby establishes a permanent plan of orderly economy, the need of which heads of households often realize but are unable to enforce.

THE SUN LIFE OF CANADA HAS AN APPROPRIATE PLAN TO COVER EVERY NEED

See a Sun Life Representative

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

Garment Centre Earning First Mortgage Interest

Hermes Building, Montreal, operated by Garment Centre Capitol Inc., is reported to be earning sufficient to cover interest on the 6½ per cent first mortgage bonds, due 1942, and on the 7 per cent general mortgage bonds due serially from 1932 to 1939. Earnings, however, are reported to be insufficient to take care of sinking fund requirements.

Amount of 6½ per cent first mortgage bonds now outstanding is $553,200. General mortgage bonds have been reduced to $244,000. These two issues were originally outstanding in amounts of $600,000 and $260,000 respectively.

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
HEAD OFFICE—WAWANESA, MAN.
Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE
LIABILITY DOCTORS AND DENTISTS LIABILITY PLATE GLASS
Insurance in force .... over $243,000,000
APPLICATIONS INVITED FOR AGENCIES IN ALL PROVINCES
Eastern Offices: 341 CHURCH ST., TORONTO

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Assets — $49,000,000.00

Independent Order of Foresters
FRANK E. HAND Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

PROTECTION PLUS PROFIT • SAVINGS WITH SECURITY

A BONUS for EVERY POLICYHOLDER

The Stock Market list contains few Securities that give a "bonus" so consistently as does GREAT-WEST LIFE profit-sharing Insurance.

A participating policyholder in THE GREAT-WEST LIFE has his "bonus" in the form of additional paid-up insurance. Once in operation, the plan is simple and works automatically. Profits earned by the Company are shared with the policyholders and are converted into extra paid-up insurance, maturing at the same time as the original policy.

By means of this bonus-addition, many men have increased their insurance protection without increasing their outlay.

THE GREAT-WEST LIFE, by rigid economy, able administration and sound investment of Company funds, has built up an enviable profit-earning record.

Get full particulars of this bonus-addition plan from our nearest Branch Office, or Head Office, Winnipeg.

THE GREAT-WEST LIFE ASSURANCE COMPANY

SAVINGS WITH SECURITY • PROTECTION PLUS PROFIT

Bank Chat on Current Topics

Bank Show Windows

THE ROYAL BANK OF CANADA is attracting attention to some of its branches by displaying colored posters on the exterior of its buildings. These bright spots on what is otherwise a rather drab exterior remind the passer-by that the branch bank is ready to handle business.

Branch banks in Canada have for a long time relied on the good old fern, an unromantic safety deposit box, or a mournful sign, to keep the show window occupied. The figures in gold leaf, stating capital and reserve, are always impressive of course. But there is plenty of room for colorful window displays, combined with dignity, in the form of attractive posters.

Some of the Canadian banks have been notably successful in getting romance or news into their advertisements in the press. The Bank of Montreal attracted national attention with its advertisement stating that credit is available. This had a news value because it came from the bank as an official statement. The Royal Bank of Canada has given the romantic touch in recent series of advertisements. The Bank of Nova Scotia has been stressing its age, in a youthful, but conservative, manner.

* * *

Bank Ownership

THE FINANCIAL POST'S initial analysis of shareholders' lists of the chartered banks has apparently been a revelation to many critics of banks, who did not realize the widespread nature of bank ownership. Bank of Montreal's list of larger shareholders has already been published, and The Bank of Nova Scotia list appears in this issue. Lists of large shareholders in all the other banks will be published soon in The Post.

These lists and the original analysis dispel the legend of a Canadian banking octopus. However, there has been a good deal of misinformation spread about banks' profits, and redistribution to the community of revenues received. It might be worthwhile for banks to tell the real story. Perhaps the chief weakness of Canadian banks has been in educating the people.

It would be easy, for instance, to show that the revenue of banks from interest, dividends, commissions, service charges, and so on, is mostly returned to the public in the form of interest on deposits, rentals, wages and salaries, purchases of materials, etc. Profits and dividends take a relatively small part of revenue. It would be interesting and instructive to show total revenue of the average Canadian bank, and its redistribution. This could be done, on an average bank basis, through the Canadian Bankers' Association by means of advertisements. It would bring the banks much goodwill even among those who have been prone to criticize through a failure to understand.

* * *

Old Lady Holds Court

THE BANK OF ENGLAND shareholders held their "court" the other day and elected directors for the coming year. Montagu Norman, governor, was re-elected although there was some suggestion a few months ago that he might not be selected for another term. Apparently the bank does not want to change its governor in the midst of world uncertainty as to monetary policy.

Several of the directors are well known for their Canadian interests. Sir Alan G. Anderson was here as adviser on shipping to the British delegation at the Imperial Economic Conference in 1932.

Sir Basil P. Blackett is interested in cables and wireless and has visited Canada in connection with the all-Red wireless scheme.

Ashley Cooper is governor of Hudson's Bay Company.

Sir Andrew Rae Duncan headed the Maritime Rights Commission a few years ago.

Sir Robert Kindersley is a former governor of Hudson's Bay Company.

Edward R. Peacock, is the only Canadian-born financier on the board.

Sir Josiah C. Stamp headed the Grain Futures Enquiry Commission three years ago.

The board consists largely of representatives of shipping companies, private banking partnerships, international and colonial banks and other British overseas investments. Few of the directors can be said to speak either for British commercial banking or British domestic industry.

News of Bank Men

From The Caduceus, staff magazine of the Canadian Bank of Commerce, we learn that J. M. Irvine, accountant at Kingston, Jamaica, won the 1933 open golf championship of the island on Dec. 10 with 325 strokes for 72 holes. He also won it for 1934 in February with 323. These were the first competitions of their kind ever held in Jamaica.

A. A. Love was presented with a silver tray by colleagues in the inspector's and superintendent's offices, Halifax, upon the recent occasion of his transfer to the managership of the Yarmouth, N.S. branch of The Canadian Bank of Commerce.

C. C. Riach, formerly accountant at Regina for The Canadian Bank of Commerce, was also presented with a silver tray, when he was recently transferred to Winnipeg as an auditor for Manitoba.

David J. D. Jones, accountant of the Peterborough branch of the Bank of Montreal, who is being transferred to Belleville branch in a similar capacity, has been in banking for 25 years, having started with the Metropolitan Bank of England and Wales. In the course of his career he was three years in South Africa with the National Bank of South Africa, and has served the Bank of Montreal in Mexico City as well as a number of Canadian centres.

Leonard J. Gay, for the last six months a special officer of The Royal Bank of Canada at Grand Falls, N.B., has been transferred to Harvey Station, N.B., as manager.

Current Events in Banking World

DOMINION BANK MANAGERSHIPS CHANGE HANDS

M. S. Bogert to Retire After 47 Years in Bank's Service

Six important staff changes are announced by The Dominion Bank, by which managerships at Montreal branch, Toronto branch, London, England, and Saint John branch are transferred. The moves are as follows:

M. S. BOGERT, manager of Montreal branch, retires from active service on July 1.

W. A. FISHER to be manager of Montreal branch.

A. C. ASHFORTH to be manager of Toronto branch.

PERCIVAL HUFFMAN to be manager of London, Eng., branch.

T. WILDING to be supervisor at head office.

CYRIL WAITE to be manager of Saint John, N.B., branch.

Retires After 47 Years

M. S. Bogert, who has been manager at Montreal since 1912, has been with the bank for 47 years, having entered the services in 1887. Since that time he has become widely known through the various important posts he has held with the bank throughout Canada. He was superintendent of eastern branches at head office, Toronto, before he became manager of Montreal branch.

M. S. Bogert

W. A. Fisher, who succeeds Mr. Bogert, joined the Dominion Bank in 1910, and has had an extensive banking experience. He has been manager at Marmora, Ont., St. Lawrence Blvd., Montreal, Huntsville, Ont., and Saint John, N.B., and from the latter post moves to Montreal. He will be succeeded in the Saint John managership by Cyril Waite, formerly manager at Belleville, Ont.

A. C. Ashforth, who is to be the new manager of Toronto branch, like Mr. Fisher, entered the bank's service in 1910. He has been attached to head office staff since 1917, and has been a supervisor for the last five years.

Percival Huffman, who has been acting manager at Toronto branch for the last three years, resumes managership of the London, England office, which post he held from 1926 to 1931. T. Wilding, who has been acting manager at London during Mr. Huffman's incumbency of the Toronto managership, returns to head office where he has been appointed a supervisor.

Make Holidays Non-Juridical To Permit Bank Closings

Bills of Exchange Act has been amended by Dominion Parliament to provide that Remembrance Day, Nov. 11, is a legal holiday, or non-juridical day, for purposes of the act. One other amendment provides civic holidays proclaimed by municipalities shall also be non-juridical days.

The meaning of these amendments is that bills falling due at specified places on a civic holiday, or anywhere in Canada on Remembrance Day, will not have to be paid on those days. If such provision were not made, bills falling due on such days would be legally payable on these holidays. The changes are partly designed to permit branch banks to be closed on the days concerned.

La Tuque, Que., Pays Interest Due Up to March 1, 1934

Quebec Municipal Commission reports that the town of La Tuque, Quebec, has been authorized to deposit with the bank funds to cover coupons due on or prior to March 1, 1934, and accrued interest on past due and unpaid bonds.

Creditors holding overdue bonds and carrying no coupons are requested to register with the secretary-treasurer of the town, P. E. Riberdy, so that cheques covering payment of interest may be mailed.

Canada Biscuit Co. Bond Interest Unpaid

While Canada Biscuit Co. has paid prior lien bond interest at each maturity, the interest on 6 per cent first mortgage sinking fund bonds, due on November 1, 1933, was deferred as permitted at the time of reorganization and the coupon due May 1, 1934, was defaulted. A meeting of bondholders will be called.

New Traymore President

At the first meeting of directors of Traymore, Ltd., following the annual meeting, E. A. Cousins was elected president to succeed Gordon G. Plaxton. A. T. Manning was appointed vice-president, H. J. Lynes remains managing director and Edward J. Swift secretary-treasurer.

Cosmos Imperial Arrears

Cosmos Imperial Mills has reduced arrears by arranging to pay on May 15, 1934, to shareholders of record, April 30, 87½ cents a share. There still remain arrears of $2.62½ a share.

Weekly Bank Clearings

	May 10 1934 $	Change year ago %	May 5 1934 $
Halifax	2,309,152	+ 7.3	2,295,449
Saint John	1,821,364	+20.5	1,811,039
Moncton	691,210	+17.7	655,491
Sherbrooke	618,103	—14.5	668,553
Quebec	3,665,746	— 9.6	3,543,704
Montreal	80,400,233	+ 3.2	103,339,722
Ottawa	4,781,221	+13.4	4,534,618
Kingston	578,381	+22.8	564,033
Peterborough	584,849	+18.3	712,251
Toronto	118,658,188	+24.5	126,979,669
Hamilton	3,595,676	+14.2	4,279,167
Kitchener	953,289	+31.9	1,190,251
Brantford	782,954	— 4.0	785,735
London	2,371,775	+ 8.4	2,779,243
Chatham	406,196	+ 8.1	442,618
Windsor	2,316,688	— 1.8	2,466,196
Sarnia	434,433	+27.6	412,003
Sudbury	643,365	+38.1	704,158
Ft. William	531,276	+11.2	594,521
Winnipeg	59,976,990	+ 5.1	92,605,469
Brandon	312,842	+19.4	333,640
Regina	4,596,112	+45.7	2,692,323
Moose Jaw	519,744	+17.7	552,002
Saskatoon	1,271,406	+ 6.7	1,201,564
Pr. Albert	276,768	+20.0	294,918
Edmonton	3,486,583	+ 6.0	3,861,032
Calgary	3,936,695	—20.4	4,168,680
Medicine Hat	215,979	+26.9	215,409
Lethbridge	353,028	+10.0	428,491
N. W'minster	489,571	+10.1	560,359
Vancouver	14,358,067	+ 9.9	17,602,337
Victoria	1,520,793	+ 8.9	1,628,368

Dominion Bank Makes Changes

W. A. FISHER — PERCIVAL HUFFMAN — A. C. ASHFORTH

Mr. Fisher has been appointed manager of Montreal branch of The Dominion Bank. Mr. Ashforth has been appointed manager of Toronto branch, succeeding Mr. Huffman, who returns to London, England, to be manager there.

Bank Act Amendments Rushed By Committee

G. G. McGeer's Closing Oration — Farmer Uncovers Cheese — Stamp Money Suggested — All Fail to Halt Committee

Clauses of Bill 18, the amendment of the Bank Act, began to pass the banking and commerce committee, Ottawa, with a rush in the sessions on May 3, 4 and 8.

On May 3, G. G. McGeer, K.C., Vancouver orator, was given a final questioning, and made a closing address. J. B. Reed, secretary, Quebec branch, United Farmers of Canada urged the committee to take action to remedy the farmers' position, and tried to show "the whole cheese" of his situation to the committee and to Jackson Dodds of the Bank of Montreal. C. S. Tompkins, inspector general of banks, gave brief information on bank inspections. E. S. Woodward, Vancouver, secretary, the Free Economy League of Canada, sponsored a plan for stamp money. Despite the interruptions by these testimonies, the committee adopted and considered numerous sections of Bill 18 on May 3.

On May 4 and May 8, the Bank Act amendment was hurried along. On May 8, Jackson Dodds, as president of the Canadian Bankers' Association, filed an extensive return concerning salaries, pensions and "other advantages" of bank clerks in their employment.

The Financial Post continues its summary of the official printed minutes of the banking and commerce committee, starting May 3, as follows:

McGeer's Closing Testimony

G. G. McGeer, K.C., was recalled and questioned. William Irvine disagreed with him that the quantity theory of money is widely preached by economists. He agreed with Mr. McGeer that the proposed central bank for Canada should be government controlled.

Mr. Hackett asked if Mr. McGeer's theory (reported in The Financial Post of May 12) is his own. "I would say no," said Mr. McGeer. "Delisle Brock put the thing into practice in Guernsey Island in 1818," he said. "I cannot myself, as a politician, just see how I could have put Major Douglas' theory into a statute," said Mr. McGeer later. "I do understand it," he said, "but I see difficulties in putting it into effect without establishing a complete socialization of almost everything."

Mr. McGeer closed his testimony by urging that all public men should be in study groups investigating monetary problems. He concluded: "Your budgets of today . . . are tolling the death knell of this civilization that has repudiated the Divine statutes and tried to build a Christian civilization on a foundation of usury which is a violation of the laws of God."

Farm Secretary Testifies

J. B. Reed, financial secretary, Quebec, branch, United Farmers of Canada, testified: "I have done business with the banks and with farmers continuously for nearly forty years and . . . I would not be here today if all was well in dealing with the banks for so long a time.

"The trouble lies in most cases with the branch managers, who get their instructions from head office, from men lacking practical experience and good judgment in handling farmers' accounts in country places," said Mr. Reed. "We need more men in these positions of the type of S. J. Hungerford, who knew the worth of the dollar by having earned some, when young, by the sweat of the brow," he added. He hoped the banking and commerce committee would realize that something must be done quickly to relieve the farmers' situation.

Asked why banks ceased extending him credit, Mr. Reed said: "They had some wild cat scheme in their heads; they wanted to buy up some stock and make 50 per cent on their money instead of loaning to farmers in small amounts and getting seven per cent." He said he had the same security as ever but could not get half as much credit as previously.

Queries by Jackson Dodds

Jackson Dodds, joint general manager, Bank of Montreal, was allowed to question Mr. Reed. Mr. Dodds said Reed had an overdraft of $577 and discounts of $4,108 at April 30, 1934. "Maybe you are correct," said Mr. Reed.

Mr. Dodds submitted that, when Mr. Reed testified that his credit had been cut from $8,000 to less than $800 before the Royal Commission on Banking in 1933, that Mr. Reed had a bank credit of $1,500, trade paper discounts of $7,000. Mr. Reed, however, stated that "He," meaning the Bank of Montreal, "will not take my customers' paper."

Mr. Reed testified, "I give them (farmers) credit regardless of the banker," and stated that he had hardly sued a man, and that he believed his farmer customers would pay.

Hon. W. D. Euler asked if, for the same security as three or four years ago, Mr. Reed could not now obtain the same proportionate loan from the bank as then. "Yes," said Mr. Reed. Mr. Euler said he would like to know the reason. Mr. Dodds said that in 1928 Mr. Reed had a credit in his own name of $2,000 and for trade paper, $5,000, and today has a credit of $1,500 in his own name and $7,000 for trade paper. Mr. Reed said: "Here is a statement from the bank of Montreal." He commented: "The whole cheese is right there." Mr. Dodds countered: "The security is not the same as when the credit was at its top." The committee unanimously voted to pay Mr. Reed's expenses.

Back to Bill 18

The committee quickly reverted to consideration of Bill 18, the amendment of the Bank Act.

Section of the bill, regarding inspection, was adopted.

Section 55, concerning shareholders' audit, was adopted, subject, however, to further consideration of subsection 17, concerning rights of shareholders' auditors to conduct special investigations at the request of the bank.

Section 57, concerning dividends, was adopted, after motions to limit bank dividends to six per cent by George Coote and William Irvine were lost.

Section 58, limiting dividends, was adopted.

Section 59, concerning cash reserves, was set aside for further consideration.

Section 60, concerning issue and circulation of notes, was adopted.

Section 61, containing new limitations under which notes of chartered banks may be issued after the Bank of Canada is authorized to commence business, was adopted.

Section 62, concerning issue of bank notes in British colonies or possessions outside Canada, was adopted.

Section 64, concerning the bank circulation redemption fund, was set aside for further consideration.

Section 75, concerning the business and powers of a bank, was adopted, after motions proposing restrictions on lending, were lost.

Proposes Stamp Money

E. S. Woodward, of Vancouver, secretary The Free Economy League of Canada, was allowed to testify, because he had not been able to speak to the Macmillan Royal Commision on banking.

He said: "I wish to associate myself with those who believe that it (the Central Bank) should be a publicly owned and not a privately owned institution." Mr. Woodward said our dollar is something that is good indefinitely. The result is, he said, that the industrialist who has something to sell must place his goods on the market, but the owner of money can withdraw from the market. Therefore, he suggested a remedy to this periodical withholding of purchasing through a new type of money.

He stated: "I say, if we are equipped with the kind of money which partakes of the same depreciating character as the commodities for which we use it, all parties will begin on a level; that in the time of crisis money must stay in circulation, and so long as it does stay in circulation, there can be no collapse." Mr. Woodward's money would be in exactly in the same form as the dollar bill of today with the exception that spaces shall be provided for the monthly affixing of stamps. "A stamp of one cent shall be levied on the holder of a note, whoever he may be, on the first of each month," said he. "Therefore they have on their hands an instrument which it pays them to get rid of, and so long as money is in circulation, it is employing men."

"What about savings accounts?" asked H. E. Lawson.

"They would be exempt," said Mr. Woodward. Cheques would be handled in the same way as at present. The depreciation would apply to current bank accounts, which would be subject to a tax like the new money he proposed, said Mr. Woodward.

"Where is this being carried out?" said Mr. Jacobs. "In Bavaria and in Woergl in Austria," said Mr. Woodward. Of Woergl, he said: "The little town with its almost complete economic stagnation, unemployment and misery, had been transformed into a centre of work and activity," within six months. The Reischbank shut down the experiment in Bavaria, and at Woergl the court stopped the experiment by declaring it illegal, Mr. Woodward stated.

Down to Bill 18 Again

Back to Bill 18, to amend the Bank Act again.

Section 76, concerning bank liens on the stock of debtors, was adopted.

Section 77, concerning right of banks to sell collateral, was adopted.

Section 78, concerning the right of a bank to acquire mortgages in the course of its business, was adopted.

Section 90, concerning the conditions under which a bank may take security, was adopted.

Sections 92, 93 and 94 were set aside for further consideration.

Section 95, concerning taking of deposits from persons unable to contract, was adopted.

May 4 Programme

On May 4, the committee proceeded to continue consideration of Bill 18. Section 88 was discussed. With the exception of sub-sections 17, 18, 19, 20, 21, 25, 27 and 28, the section was adopted. A motion to include the claims of unpaid vendors as exemptions along with wage claims, was lost.

Section 89, concerning holding of goods under section 88, was adopted.

Section 91, limiting the rate of interest that banks may charge on advances, was adopted.

Quick Work on May 8

On May 8, Bill 18 continued its rapid course through the committee mill.

Jackson Dodds filed a return, previously requested by the committee, concerning salaries, pensions and "other advantages" of bank employees incidental in their employment.

Section 92, concerning interest allowable on deposits, was adopted.

Section 93, concerning collection charges, was adopted.

Section 94, concerning agency charges, was adopted.

Section 95 was reconsidered and a clarifying amendment adopted as the section.

Section 96, concerning deposits held in trust, was adopted, with clarifying amendment.

Sections 99 to 111 inclusive, concerning the power of a bank to sell its assets to another bank, were adopted.

Section 112, concerning the monthly bank statements, was adopted, with amendments giving the governor-in-council power to make such changes in its form as he may deem expedient, and requiring that banks once a year make a return of loans, classified according to industries and businesses.

Sections 117 and 118, concerning appointment of a curator where a bank was suspending payment, were combined, amended and adopted.

More Rapid Adoptions

Sections 119 to 123 inclusive, concerning the powers of such curator, were adopted.

Section 124, concerning by-laws of the C. B. A., was adopted, subject to limitation of penalty to $1,000.

Section 137, concerning excess circulation of notes, and section 138, concerning unauthorized note issues, were adopted.

Section 151, concerning prohibited business, was adopted, subject to clarification of penalty, and provision for penalty up to $5,000 for lending in excess of five per cent of paid up capital to firms in which bank directors are investors, without consent of two-thirds of the directors.

It was decided to reconsider Section 75, concerning business and powers of a bank, at a later meeting of the committee. In this connection: notice of motion was filed to prohibit banks from receiving applications by prospectus or advertisements for other than government and municipal securities and securities of semi-public companies whose rates are fixed by the Board of Railway Commissioners.

Section 160, concerning returns of shareholders' names, was set aside for further consideration.

Section 166, concerning the use of the title "bank," and "banker" was set aside for further consideration to permit the Canadian Investment Bankers' Association to make submissions concerning a proposed amendment to prohibit the use of the words "investment bankers" and similar terms.

Notice of motion was filed on behalf of Hon. E. N. Rhodes asking for reconsideration of Section 113, and proposing a change in the returns to include with names and addresses of directors, a list of banks, firms and companies in which bank directors are also directors or partners.

Schedules A and B to the act, concerning the banks to whom it will apply, and the form of act to incorporate a bank, were adopted.

Schedule C, concerning the form in which general security may be taken under section 88, was adopted.

Schedule D, concerning the form in which security for seed grain advances under section 88 can be taken, was adopted.

Schedule E, concerning the form in which security for loans on livestock under section 88 may be taken, was adopted.

Foreign Exchange Markets

The Canadian dollar held slightly above 100 cents in New York in the two weeks ended May 14. Strength of the pound sterling, which has been steadily above $5.10, is believed to be a major factor in this. Canada's increased export trade to both the United States and Great Britain is also believed to play an important part.

Trend of purchases and sales of Canadian securities at present shows an import balance from the United States and an export balance to the United Kingdom. This is one of the connecting links between the three currencies. While increasing exports to the United States have played some part in the strength of the Canadian dollar in New York, this has apparently been offset to some extent by sale of American-held securities to Canadians. Britain, however, has been a buyer of both Canadian securities and goods, and is therefore considered the dominant factor in sustaining the Canadian dollar in New York.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	May 8 $	May 9 $	May 10 $	May 11 $	May 12 $	May 14 $
U. S. dollar, High	.5906	....	.99 [illegible]	.99 [illegible]	.99 [illegible]	.99 [illegible]	1.00
Low	.5906	....	.99 [illegible]	.99⅝	.99¾	.99 [illegible]	.99 [illegible]
1933 High	1.000	1.14¼	1.15	1.14¼	1.13¾	1.13⅞	1.14⅛
Low	1.000	1.13 [illegible]	1.14	1.13⅜	1.13¼	1.13⅜	1.13¾
U. K. pound	4.8665	5.11	5.10½	5.10	5.10½	5.10¾	5.10½
Argentina	.9648	.2303	.2328	.2356	.2346	.2371	....
Australia	4.8665	4.0643	4.0631	4.0588	4.0624	4.0635	4.0606
Austria	.1407	.1902	.1910	.1906	.1906	.1906	.1904
Belgium	.1392	.2341	.2339	.2338	.2338	.2337	.2340
Brazil	.1963	.0900	.0900	.0901	.0901	.0899	.0902
Czechoslovakia	.0296	.0418½	.0417½	.0417½	.0417½	.0417	.0417
Denmark	.2680	.2281	.2284	.2281	.2284	.2282	.2280
France	.0392	.0661½	.0660	.0660	.0660	.0660	.0660
Germany	.2382	.3949	.3948	.3957	.3955	.3954	.3957
Greece	.013	.0095	.0095	.0095	.0095	.0095	.0095
Holland	.4020	.6787	.6780	.6780	.6779	.6774	.6781
Hungary	.1749	.2976	.2978	.2974	.2974	.2974	.2978
India	.3650	.3901	.3910	.3903	.3903	.3903	.3903
Italy	.0526	.0852	.0851	.0851	.0850	.0848	.0850
Japan	.4985	.3055	.3067	.3064	.3059	.3059	.3063
Jugoslavia	.1929	.0228	.0228	.0228	.0228	.0228	.0228
New Zealand	4.8665	4.0806	4.0794	4.0750	4.0787	4.0797	4.0768
Norway	.2680	.2667	.2571	.2563	.2570	.2565	.2565
Poland	.1122	.1902	.1911	.1907	.1906	.1906	.1904
South Africa	4.8666	5.0990	5.0975	5.0920	5.0966	5.0979	5.0943
Spain	.1929	.1372	.1369	.1368	.1369	.1368	.1369
Sweden	.2680	.2636	.2637	.2633	.2637	.2634	.2634
Switzerland	.1930	.3247	.3246	.3244	.3244	.3244	.3250
Hong Kong	.5422	.3738	.3741	.3668	.3663	.3668	.3648

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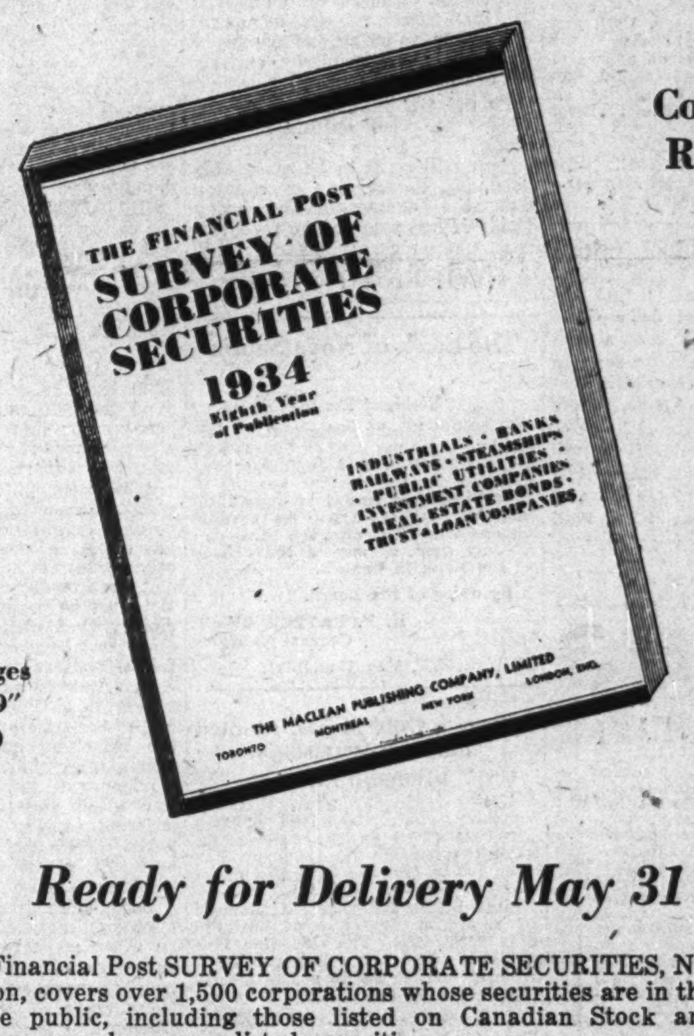

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DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 189

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1934, and that the same will be payable at the Bank and its Branches on and after Friday, 1st June next, to shareholders of record at the close of business on the 30th April, 1934. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN, General Manager.

Toronto, 20th April, 1934.

Acme Glove Works Limited

Notice is hereby given that the Board of Directors of Acme Glove Works Limited has declared a dividend of one and five-eighths per cent (1⅝%) on the 6½% cumulative convertible First Preferred Shares of the Company, payable on the 15th day of June, 1934, to the holders of such shares of record on the share register of the Company at the close of business on the 23rd day of May, 1934.

A. LEPINE, Secretary.

May 14th, 1934.

THRIFT STORES, LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifth Annual General Meeting of Shareholders of Thrift Stores Limited will be held at the Head Office of the Company, 645 Wellington Street, Montreal, on Tuesday, the 22nd of May, 1934, at 11.30 o'clock in the forenoon; the business to come before the said Meeting being: Reception of Annual Report of Directors; Election of Directors for the ensuing year; Appointment of Auditors; Fixing the remuneration of Directors for the ensuing year; the consideration and, if thought fit, approval of the amendments of the General By-Laws of the Company, as passed at a Meeting of Directors held on the 17th of October, 1933, by adding to the By-Law 9 (a) providing for the election by the Board of Directors of a Chairman of the Board, the fixing of his remuneration and duties by the Board; and the amendment of By-Law No. 10 of the General By-Laws of the Company providing that the President shall preside at Meetings of the Board in the absence of the Chairman of the Board; and such other business as may regularly come before the Meeting.

THOS. F. MUNDY, Secretary.

Montreal, 12th May, 1934.

The Bank of Toronto

Dividend No. 211

Notice is hereby given that a Dividend of Two and One-half per cent upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of June next, to shareholders of record on May fifteenth, 1934.

By Order of the Board.

H. B. HENWOOD, General Manager.

Consolidated Diversified Standard Securities LIMITED

Dividend No. 4

NOTICE is hereby given that a dividend of 25c per share on the outstanding fully paid non-cumulative redeemable First Preference shares has been declared, payable June 15, 1934, to shareholders of record June 1, 1934. Transfer books will be closed from June 1 to June 15, 1934, inclusive.

By Order of the Board,

A. G. TIERNEY, Sec.

P.S.—Dividends accruing on fully paid shares not as yet registered in the company's stock records shall be set aside and paid only when registration shall have been completed.

Montreal, May 9, 1934.

Wheat

From Our Grain Correspondent

Market Appears Healthier

WINNIPEG.—An important indication that a change may be coming over the world wheat situation lies in developments in the Winnipeg market during recent weeks. A very considerable volume of futures has been transferred from the Government agency to the general trade, and a fairly active market is emerging, on which business is practically continuous. This is in strong contrast with the situation prevailing a few months ago, when the market was stagnant for long periods at a time, and price changes were assumed to have no greater importance than indicating a shift in the point at which the Government agency was prepared to buy or to sell.

How far the process has continued there is no means of judging, but some estimates are current to the effect that the total Government holdings have been reduced to about 125,000,000 bushels, or about 85,000,000 bushels from their peak. About 25,000,000 bushels of this may be in cash wheat, leaving the Government holdings in the futures market hardly half of what they were at one time.

So long as the Government agency was known to be carrying almost all of the Canadian supplies of wheat, overseas purchasers had little inclination to buy ahead, feeling that the agency in question would be forced to sell in due course. Now the knowledge that the burden has been so much reduced appears to increase the chances of still further reducing it.

* * *

Keen Interest in Crop Prospects

ANOTHER sign of returning health is the fact that markets everywhere are beginning to show more interest in crop prospects, and to be less obsessed by quantities of wheat actually on hand. Liverpool appears to be much impressed by the drought in the United States, and the fact that that country is apparently going to remain out of the export market for another year.

Weather in the Danubian states has been under close observation, and the consensus of opinion appears to be that those countries will not have a wheat crop large enough to enable them to export the 50 million bushels allotted to them for next year, under the London agreement. The export surplus is less than fifteen per cent of normal production, so major damage might well keep those countries entirely out of the export market.

Poland, Germany and Russia also appear to be suffering from drought. Western European conditions still seem to be reasonably good, but there is no expectation that the extraordinarily heavy yields of last year can be repeated.

DIVIDEND NOTICES

The Bank of Nova Scotia

Dividend No. 258

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of June 15th, and that the same will be payable on and after Tuesday, the third day of July next, at any of the offices of the Bank in Canada.

By order of the Board.

H. F. PATTERSON, General Manager.

Halifax, N.S., May 15th, 1934.

Sylvanite Gold Mines, Limited

(No Personal Liability)

DIVIDEND No. 10

Notice is hereby given that the regular quarterly dividend of five per cent (5%) on the outstanding capital stock of the Company has been declared by the Directors of the Company payable June 30th, 1934, in United States funds to shareholders of record at the close of business May 26th, 1934. The Canadian five per cent (5%) tax will be deducted from dividends paid to non-residents.

By Order of the Board,

W. S. WALTON,

Toronto, May 15th, 1934. Secretary.

The Bank of Toronto

Dividend No. 211

Notice is hereby given that a **Dividend of Two and One-Half** per cent upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of June next, to shareholders of record on May fifteenth, 1934.

By Order of the Board.

H. B. HENWOOD, General Manager.

NOTICES

NOTICE

To Canadian Policyholders of the Alliance Casualty Company, Philadelphia, Pennsylvania, U. S. A.

On June 1, 1933, the Alliance Casualty Company, Philadelphia, Pennsylvania, U. S. A., reinsured, with the Indemnity Insurance Company of North America, Philadelphia, Pennsylvania, U. S. A., all of its unexpired policies, outstanding obligations and liabilities. On June 16, 1934, application will be made to the Minister of Finance for the release of its securities deposited and now held by the Receiver General and any Canadian Policyholders opposing such release should file their opposition with the Minister of Finance on or before that date.

ALLIANCE CASUALTY COMPANY,

FRANK A. EGER, Secretary.

Grain and Milling in Canada

U. S. REMOVED FROM WORLD WHEAT MARTS

Drought Cuts Yield Prospects to Domestic Needs

From Our Own Correspondent

WINNIPEG—In the excitement caused by impaired wheat crop prospects in the United States last week the real market significance of what the weather was doing south of the international boundary line failed to receive due appreciation. The critical point of the situation was reached when the probable wheat production of the United States was reduced below 650,000,000 from winter and spring wheat combined, or the approximate quantity required for a year's consumption in the United States.

This reduction meant a separation of the influences affecting the international wheat price level and those affecting prices in the United States, so these two levels might for months ahead pursue different and possibly opposite trends, restoring the state of affairs which has prevailed for more than a year past.

Surplus Further Reduced

The United States carryover, which at the beginning of the current crop year was 412,000,000 bushels, seems likely to be reduced by July 1 to about 272,000,000 bushels, because the crop in that country was so short last year as to produce, instead of the usual export surplus, a deficit of about 150,000,000 bushels. The carryover still left a nominal export surplus, but it was not great enough to pull price levels in that country down to export levels.

Change Threatened

But, a few weeks ago, as another harvest began to draw nearer, the situation threatened to change. United States prices began to drop for the belief was widely held, and was even enunciated by the United States secretary of agriculture that prices in that country would have to work to the export level. That seemed to create a very real danger to the international price level, not only because anywhere from 50,000,000 to 90,000,000 bushels of wheat from the United States might crowd out other supplies on the international market, but because the whole United States surplus might become a burden which would have to be supported at the common price level.

The latest United States government estimate of indicated production of winter wheat is 442,000,000 bushels, a reduction of over 19,000,000 bushels being made to allow for damage done since May 1. That is still 110,000,000 bushels less than the calamitously low production of last year. Spring wheat prospects are extremely unfavorable, so that a total production at present must be calculated at a maximum not much exceeding 600,000,000 bushels.

The size of the carryover, which is at least 125,000,000 bushels beyond the reasonable needs of the country for that purpose practically precludes the possibility of any actual wheat shortage and while not actually putting out of the question some import of wheat of special qualities, makes unlikely any important demand on wheat of other countries.

A market observer in this country must be prepared for the possibility that United States prices may rise above world levels to the full effective extent of the United States import duty. That hardly means that Chicago prices could rise to the extent of 40 cents above the Winnipeg quotation, because considerably short of that point it would pay to import some Argentine wheat and flour to the area adjacent to New York and other ports. But a Chicago price 20 or even 25 cents above Winnipeg would not seem out of the question.

Such a condition may have a psychological and technical effect on other markets. Up to a short time ago Chicago was the great hedging market for the wheat and flour trade of the whole world. During the past few years overseas buyers have hedged their requirements by futures purchases to a much smaller extent than used to be the case. Any impending shift toward a better balance in the world supply situation might bring such buyers back into the futures market, a development which would make it possible to accelerate the retirement of the Dominion government from its commitments in the market.

Also important will be a world realization that the stocks of wheat in the United States do not constitute part of the world surplus. They are included as such in all commercial compilations published abroad, and even the international wheat committee, sitting at Rome, in a recent published statement showing the wheat that would be on hand at the end of the current crop year in exporting countries, included 255 million bushels for the United States to make a total of 645 million bushels for Canada, the United States, Australia and the Argentine. If the practice can be established of leaving United States stocks out of calculations world totals will seem to be much less alarming.

May Cause Winnipeg Rise

A corresponding danger from advancing prices in the United States must be recognized, in the tendency of developments there to pull the Canadian market out of line with export levels, as has happened on previous occasions, enabling other countries to increase their export trade at the expense of this country. No doubt the holdings of the government agency will be released as rapidly as seems necessary to prevent such a development, but it will not be surprising if our market shows a good deal of oscillation during coming months, with prices alternately being advanced too rapidly as conditions seem to favor a higher level, and then being relentlessly brought down again by the drying up of export business.

McFarland Thinks Plans For Control Succeeding

Argentine and Russia Near Agreement With Other World Countries—Russian Exports Will be Small —Small 1934 Yields May Help

From Our Own Correspondent

OTTAWA. — Back at Winnipeg with his hand on the throttle of Canada's wheat export trade, John I. McFarland, general manager of the Central Selling Agency, is hopeful that the coming crop year will bring an easing of the world wheat problem.

While declining to discuss the failure of Argentine to subscribe to the minimum price plan advanced at Rome and later at London, Mr. McFarland seemed satisfied that the general scheme of reducing acreage and controlling world exports was succeeding.

With respect to Russia it is understood that Mr. McFarland reported at Ottawa that little is to be feared in the coming crop year. It is true that Russia declined to sign the agreement or to enter into any undertaking to restrict production or curtail exports. But Russia's position with respect to wheat is believed to be unique

Soviet Position Explained

It appears that Russia's delegation at Rome explained the position of the Soviets in detail. Russia will not reduce acreage because she does not now grow sufficient wheat to feed her own population. Russia will not undertake to keep within the export quota which other exporting nations offer her because she cannot tell in advance what amounts of wheat she may be compelled to export. But in a general way Russia will only export wheat if unable to raise foreign credits in any other way.

If the world will accept other goods from Russia—goods of which she has a bonafide surplus—there will be little competition in export markets from Moscow. In any event, Russia's own interests lie in the direction of higher wheat prices. The higher the world price, the less wheat she must export to raise cash in foreign countries.

Thus while Russia has chosen to remain outside the wheat agreement, her self-interest will lead her along similar lines.

Of more concern, it appears, is the attitude of Argentine. The Argentine Government has declined to agree to a world minimum price and, moreover, has not yet come to terms regarding her export quota for the current crop year or its successor. The reason is that Argentine has reaped an unusually large harvest; is facing a wheat surplus, regardless of quotas, of perhaps 100,000,000 bushels. That is, if the other exporting countries gave Argentine as great an increase in her export quota as she desires, there would still be a large carryover in that country.

Canada's Position

Up to the first week of May, Canada had exported 150,000,000 bushels of wheat (including flour) leaving 50,000,000 bushels of the current year's quota to be filled before July 31. It is the intention of the government to fill the quota, whether or no this results in a slight decline in world price. As a matter of fact prices have been advancing steadily in recent weeks and the times seem favorable to forcing the export market to the extent indicated.

Surveying world conditions, Mr. McFarland is inclined to be hopeful. The crop year in Europe has opened poorly and every indication points to a reduced yield in 1934. This, of course, will be offset, to some extent, by the present surplus wheat stocks held by European countries.

Acreage Down

Preliminary reports from the Bureau of Statistics show that Canada's wheat acreage will be down eight per cent. This is an official forecast and the final figures may be greater or smaller, with the chances in favor of the former. Wheat acreage in Australia has been cut 20 per cent and in the United States 15 per cent.

But, in addition, the spring season both in western Canada and in the United States has been most unfavorable. The other day the official reports cut some 30,000,000 bushels off the estimated yield of the U.S., winter wheat acreage. The unfavorable spring season, it is believed, is responsible for the recent strong upward trend in prices.

GARNET GRADING ACT AMENDMENT IN MODIFIED FORM

From Our Own Correspondent

OTTAWA.—Modifying the original proposal and holding out assurance of compensation to the grain trade, the government amendment to the Canada Grain Act (separate grading of Garnet wheat) is now before the Agricultural committee of the House of Commons.

As originally proposed the amendment would have banished Garnet from grades two and three northern. It is now excluded from Manitoba hard and number one northern. But pressure from Garnet growers in the northern areas of Saskatchewan and Manitoba has forced a compromise and the amendment will remove Garnet only from number two northern.

Compensate Holders

After the end of this crop year, when the change is to take place, Garnet wheat which is of better quality than number three will be graded separately.

An important question, which has received little attention to date, relates to what is to happen to number two northern wheat, containing Garnet, which will be carried over into the new crop year. Under the amendment it will no longer be number two, although elevator companies will be under contract to deliver the corresponding bushelage in that grade.

It was indicated, clearly, to the committee that the government will regard this as a loss brought about by legislation and will compensate companies for the difference in value between numbers two and three. But the compensation may not amount to very much, as the government through John I. McFarland intends to press the sale of number two wheat very vigorously between now and the close of the crop year.

NO MARKET MOVE FOLLOWED FAILURE FIXED PRICE PLAN

From Our Own Correspondent

WINNIPEG. — Failure of the London wheat meeting to work out the proposals for a regulated advance in wheat prices along the lines suggested at the earlier Rome meeting produced very little market effect, in Winnipeg, in Liverpool or elsewhere, and was the cause of no decline, just as the first announcement of such proposals at Rome was responsible for no advance.

While actual details of the plan suggested have never been made available, and so have been subject to no public analysis, it would appear from cabled comment that the British trade was too much impressed by the technical difficulties in the way of any such proposal to believe that any scheme could be evolved that on final examination would appear to be workable.

Argentine Quota

Nor has the trade appeared to concern itself with discussions as to an increase in the Argentine quota, details of agreement by which it might be brought about. Fairly early in the season it became evident from Argentine shipping policy that that country had no expectation of confining its shipments within the limit of 110,000,000 bushels presumed to be allotted to it under the London agreement.

For a time the approaching exhaustion of the Argentine quota was a subject of comment in Canada, and the expectation appeared to prevail that when the southern country should prohibit further exports the demand for Canadian wheat would be enlarged. Abroad, however, the impression appeared to be that Argentina would keep on selling so long as a market should be available,

Key Facts About Wheat

	Week (bu.)	Previous Week (bu.)	Same Week Year Ago (bu.)
Canadian Wheat in Store:			
Fort William (May 11)	71,536,176	75,203,738	59,470,884
Country elevators (May 4)	89,367,853	93,196,205	103,924,345
Total, all points (May 4)	202,957,764	207,344,984	215,906,293
World Shipments, incl. flour (May 11):			
North American	4,687,000	4,301,000	4,342,000
Argentine	1,941,000	2,072,000	4,082,000
Black Sea*	880,000	728,000	....
Australian	1,657,000	1,209,000	3,968,000
Total, world	8,955,000	9,222,000	12,526,000
Visible Stocks:			
Canadian, May 11	104,,373,000	106,125,000	97,422,000
United States, May 11	82,184,000	84,550,000	120,201,000
Argentine, May 11	22,411,000	22,044,000	15,431,000
Australian, May 4	86,000,000	88,000,000	58,500,000
Country Marketings and Exports:†			
Canadian exports (May 4)	1,904,238	1,725,608	4,258,265
Cum. to May 4 (40 weeks)	117,922,554	116,018,321	179,542,542
Prairie marketings (April 27)	1,536,396	1,981,649	2,749,600
Cum. to April 27 (39 weeks)	195,908,283	194,371,889	329,589,276
Country deliveries, May 11‡	1,283,000	1,461,000	2,151,000
Country loadings, May 11‡	3,741,780	4,074,560	4,449,760

*Includes South Russia. †Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to May 15, 1934

Crop year from Aug. 1, 1933 High	Low		Open May 9	High for week	Low for week	Close May 15
		Wheat				
.95	.59¼	May	.69¼	.73¼	.68	.70¼
.74¾	.62¼	July	.70⅝	.74¾	.68⅞	.71½
.76½	.68⅜	Oct.	.72⅝	.76½	.70⅝	.72⅞
		Oats				
.48½	.29½	May	.34¼	.35⅝	.33¼	.34½
.38⅝	.30⅛	July	.35¼	.36⅝	.34½	.35⅝
.37¼	.32½	Oct.	.35⅝	.37¼	.34⅝	.36
		Barley				
.59¾	.32½	May	.38¼	.39	.37¼	.38¼
.44⅜	.35	July	.40	.40½	.38⅝	.39½
.43⅛	.37⅛	Oct.	.41¾	.42½	.40	.41⅝
		Flax				
1.71½	1.15	May	1.53½	1.58¾	1.53	1.56¼
1.59	1.39½	July	1.54½	1.59	1.53¼	1.57⅛
1.58½	1.40	Oct.	1.53	1.58½	1.51¾	1.56½
		Rye				
.68½	.39¼	May	.47	.47⅞	.44⅛	.45¼
.53½	.41⅝	July	.48½	.49⅝	.45	.46½
.52⅞	.43½	Oct.	.49⅞	.51⅝	.47	.48⅞

Scottish and Maritimers Own Bank of Nova Scotia

Nova Scotians Hold 38.8% of Shares — Over 85% of Stock Owned in Canada — Ontario Holds 26%

The Bank of Nova Scotia is still what its name signifies, as far as ownership of shares is concerned. More shares are held in the extreme eastern province than anywhere else, and Scottish names predominate in the shareholders' list. In Nova Scotia, where the bank started operations over 100 years ago, 38.8 per cent of the shares are held. And 46.6 per cent are owned in the three Maritime Provinces combined.

Ontario residents hold 26 per cent of the bank's shares. And over 85 per cent of the stock is held in Canada. These are some of the facts revealed from a study of the list of shareholders by The Financial Post.

A listing of all holders of 100 shares or more reveals that the Eastern Trust Co., Halifax and the Toronto General Trusts Co., Toronto, are among the largest holders of stock. These holdings, of course, belong to a number of estates.

As in the case of the Bank of Montreal, women rank prominently as Bank of Nova Scotia shareholders. A feature of the Bank of Nova Scotia list is the preponderance of Scottish names. This, of course, has also been noticeable among the bank's executive officers.

This is where the bank's shares are held:

WHERE BANK OF NOVA SCOTIA SHARES ARE HELD

Registry	shares	%
Nova Scotia	46,532	38.8
Prince Edward Island	1,999	1.7
New Brunswick	7,345	6.1
Quebec	11,335	9.5
Ontario	31,166	26.0
Manitoba	1,948	1.5
Saskatchewan	310	.3
Alberta	395	.3
British Columbia	1,221	1.0
London	2,100	1.8
New York	15,649	13.0
	120,000	100.0

Holders of 100, or more, shares are listed alphabetically below:

Halifax Registry

Acadia Fire Insurance Co., 216.
Acadia Trust Co., 100.
Acadia University, 156.
Estate of J. W. Allison, 400.
Mrs. E. J. Archibald, 280.
R. B. Atkinson, 150.
Estate A. N. Bayne, 108.
Brookfield Securities Ltd., 100.
Mrs. R. L. Boardman, 100.
A. S. Black, 170.
C. A. B. Bullock and T. N. Goudge, in trust for employees, 100.
Dr. O. H. Cameron, 117.
Estate G. S. Campbell, 256.
Canada Corporation Ltd., 100.
J. W. Carmichael & Co. Ltd., 604.
Chase's Securities Ltd., 120.
Trustees Estate of J. Cosman, 268.
A. V. Cook, 125.
Mary B. Corbett, 164.
R. A. Corbett, 183.
Miss S. M. Crowell, 101.
Dalhousie College, 752.
Mrs. E. I. Deane, 131.
Estate Alfred Dickie, 108.
Eastern Trust Co., in trust, 225.
Eastern Canada Savings & Loan Co., 200.
Eastern Trust Co. in trust, 104.
Eastern Trust Co., in trust, 398.
Eastern Trust Co., in trust, 157.
Eastern Trust Co., in trust, 100.
Eastern Trust Co., in trust, 492.
J. H. Emmett, 100.
Hon. J. F. Fraser, 100.
Mrs. E. L. Flinn, 108.
Mrs. Catherine E. Flinn, 107.
W. H. Fulton, 110.
H. C. Gillespie, 125.
Miss M. Gillespie, 110.
Miss Ray Gillespie, 110.
E. M. Grant, 100.
Mrs. L. M. Grant, 400.
Halifax Fire Insurance Co., 600.
R. T. Harris, 130.
G. R. Hart, 303.
Estate G. W. C. Hensley, 100.
R. A. Jodrey & Co. Ltd., 200.
Estate H. M. Jost, 240.
Hon. F. B. McCurdy, 684.
Mrs. M. E. L. Lynch, 115.
Hector McInnes, 304.
Mrs. Charlotte McInnes, 100.
Miss Mary MacKay, 159.
George W. McKay, 146.
C. H. Mitchell, 122.
David E. North, 120.
Estate of George E. E. Nichols, 150.
Ella W. and Mary K. Odell, 242.
C. W. Outhit, 235.
Harold Oxley, 220.
Eastern Trust Co., in trust, 202.
W. L. Payzant, 432.
Eastern Trust Co., in trust, 101.
Eastern Trust Co., in trust, 102.
Eastern Trust Co., in trust, 101.
Estate S. W. W. Pickup, 141.
Pine Hill Divinity Hall, 120.
Wm. Roche, 150.
Estate of C. L. Rood, 209.
Mrs. M. J. Sinclair, 120.
Mrs. S. Stanfield, 126.
O. E. Smith, 800.
Sterling Northern Ltd., 1,589.
Daniel Sutherland, 350.
H. T. Sutherland, 120.
Estate of S. C. Thompson, 101.
Thompson and Sutherland, Ltd., 100.
Hon. J. C. Tory, 200.
H. B. Tremain, 178.
F. M. Turner, 178.
Trustees of R. Uniacke, 190.

Charlottetown Registry

Eastern Trust Co., in trust, 330.

New Brunswick Registry

Mrs. M. K. and J. S. Benson, 108.
Eastern Trust Co., in trust, 231.
Estate Aaron Eaton, 144.
T. H. Estabrooks, 217.
Hon. Sir J. Douglas Hazen, 247.
Dr. Henry Lunam, 150.
Estate of Thos McAvity, 123.
W. M. MacKay, 578.
The Miramichi Hospital, 229.
Mount Allison Regents, 260.
J. W. Y. Smith, 648.
Mrs. M. I. Starr, 144.
Estate Charlotte D. White, 171.
Dr. W. W. White, 133.

Montreal Registry

Bankmont and Co., 1,000.
R. L. Blackburn, 107.
Mrs. J. B. Boulter, 1,051.
Ella Bryson, 102.
Hon. George Bryson, 610.
Canadian Import Co., 120.
Cressington Holding Co., 100.
A. S. Fraser, 250.
Investment Foundation Co., 128.
Mrs. Jessie R. Kenny, 154.
Alexander Maclaren, 840.
A. B. Maclaren, 313.
Mrs. H. M. MacLaren, 132.
James N. MacLaren, 112.
Miss W. S. MacLaren, 144.
J. H. Major, 375.
R. S. Marston, 120.
Montreal City and District Savings Bank, 108.
A. D. Munro, 105.
Mrs. N. M. Munro, 100.
Rollo Bay Investments Ltd., 457.
J. T. Ross, 120.
Royal Trust Co., in trust, 120.
Mrs. Annie N. Sharing, 100.

Toronto Registry

J. R. Allan, Ottawa, 192.
Dr. T. D. Archibald, Toronto, 260.
Aramdale Corporation, Ltd., Toronto, 113.
H. G. Bate, Ottawa, 150.
Arthur Blackburn, Ottawa, 280.
F. H. Blackburn, Ottawa, 145.
Mary A. Blackburn, Ottawa, 378.
Russell Blackburn, Ottawa, 328.
Brant Securities Co. Ltd., Toronto, 120.
British Canadian Insurance Co., Toronto, 150.
Estate Robert Brown, 108.
George J. Bryson, Ottawa, 400.
Mrs. H. M. S. Burwash, Toronto, 120.
Canada Life Assurance Co., Toronto, 2,083.
Mrs. S. B. Carswell, Ottawa, 100.
Miss M. A. C. Chalmers, Toronto, 275.
Mrs. M. L. Christie, Ottawa, 133.
Confederation Life Assication, Toronto, 258.
Crown Life Insurance Co., Toronto, 100.
Mrs. M. L. Curtis, Ottawa, 147.
Dart Union Co. Ltd., Toronto, 150.
Mrs. Jessie Daw, Hamilton, 198.
George Drewry, Kenora, 100.
Albert L. Ellsworth, Toronto, 500.
W. Finlay and J. K. Patterson, Toronto, 200.
J. B. Fraser, Ottawa, 943.
Estate W. H. A. Fraser, Ottawa, 942.
Mrs. M. M. George, Toronto, 150.
Mrs. H. E. Gibbons, Toronto, 120.
A. B. Gordon, Toronto, 110.
Hon. Senator George Gordon, North Bay, 750.
J. P. Gordon, Renfrew, 110.
Mrs. L. L. Hart, Ottawa, 108.
Mrs. A. M. W. Howe, Port Arthur, 130.
Imperial Life Assurance Co., Toronto, 600.
S. Johnstone, K.C., Toronto, 208.
Mrs. Lydia Long, Toronto, 175.
J. B. McCarter, Toronto, 100.
H. C. McCloskey, Toronto, 500.
Miss H. F. McEwen, Toronto, 175.
L. J. McGuiness, Mimico, 200.
Estate of J. A. McKee, Toronto, 120.
Estate of H. F. McLachlin, Arnprior, 492.
John A. McLeod, Toronto, 128.
Mrs. Letitia L. MacKay, Hamilton, 110.
Mrs. C. A. Maclaren, 320.
Brig.-Gen. C. H. Maclaren, Ottawa, 172.
Manufacturers Life Insurance Co., Toronto, 120.
Hon. R. C. Matthews, Toronto, 120.
S. J. Moore, Toronto, 190.
Estate Denis Murphy, Ottawa, 140.
Mutual Life Assurance Co., Waterloo, 100.
National Trust Co., in trust, 115.
Hon. Sir George Perley, Ottawa, 300.
300.
Mrs. Helena D. Powell, Toronto, 240.
Prudent Securities, Ltd., Penetanguishene, 310.
Mrs. Mary Pugsley, Ottawa, 144.
E. A. Reid, Ottawa, 128.
C. S. Robertson, in trust, Toronto, 482.
Hon. W. D. Ross, Toronto, 125.
Royal Trust Co., in trust, 120.
Estate Hon. E. B. Ryckman, Toronto, 200.
Scotia Company, Ltd., Erindale, 240.
Henry A. Sifton, Toronto, 111.
J. W. Sifton, Toronto, 111.
W. V. Sifton, Toronto, 111.
J. D. Storie, Oshawa, 120.
Estate John Sweetland, Ottawa, 168.
Toronto General Trust, in trust, 264.
Toronto General Trust, in trust, 140.
Toronto General Trust, in trust, 235.
Toronto General Trust, in trust, 129.
Toronto General Trust, in trust, 140.
Toronto General Trust, in trust, 342.
Toronto General Trust, in trust, 100.
The United Church of Canada, Toronto, 200.
Estate F. J. Wilson, Ottawa, 321.
Mrs. E. M. Wood, Toronto, 120.

Winnipeg Registry

W. J. Christie and W. J. Tupper, 200.
Dromore Investment Co. Ltd., 400.
Searle Securities Co. Ltd., 182.
Winona Investment Co. Ltd., 550.

Regina Registry

Mrs. Jane C. Francis, Indian Head, 124.

Vancouver Registry

A. T. Robson, New Westminster, 100.
Mrs. Grace F. Willcox, Victoria, 110.

Acreage Down Eight Per Cent D.B.S. Estimates

If the intentions of farmers at May 1 are carried out, there will be a reduced acreage of spring grains sown in Canada for harvest in 1934. As in the previous year, the decrease is almost entirely due to a reduction of 2,112,800 acres (8 per cent) in the area intended for spring wheat, the Dominion Bureau of Statistics reports. This would bring the Canadian spring wheat acreage back to the 1928 level and would be 3.3 million acres below the record high level of 1932.

Contemplated reduction in spring wheat acreage is divided among the three Prairie Provinces—101,000 acres in Manitoba (4 per cent), 1,622,000 acres in Saskatchewan (11 per cent), and 395,000 acres in Alberta (5 per cent). The other provinces, where spring wheat acreage is almost negligible, show little change.

Dodge Manufacturing Stock Taken Off List

From Our Own Correspondent

MONTREAL.—Montreal Curb Market announces that owing to the fact that the majority of the shares of the Dodge Manufacturing Co. have been exchanged for shares of United of Dodge have been taken off the list, the option of the holder, and inter-

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T. WILLIAMSON, *Vice-President and Managing Director.*

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SMALL LOANS CHIEFLY USED TO PAY DEBTS

Unique Study Explains Why Small Loans Are Helpful

PROFITS MODERATE

Central Finance Corp. Lent $1,471,360 in 1933; Average Loan Was $185 Report Shows

Over 80 per cent of small loans made by loan companies to Canadians are used to refinance previously existing debts.

Small loans are useful to thousands of Canadians.

Profits on the business have been moderate.

These are some of the defensive contentions of legitimately regulated small loan companies, which have been under fire in Parliament, and have been subject to attack as usurers by allegedly misinformed citizens.

Who borrows on small loans? This is answered by the following table:

Who Use Small Loans

	Borrowers No.	% of Total
Occupation:		
Skilled & semi-skilled laborers	2,183	28.61
Office and clerical workers	2,138	28.02
Managers, superin'ts., foremen	854	11.19
Owners-managers	788	10.33
Sales persons	612	8.02
Unskilled laborers	265	3.47
Professional persons	242	3.17
School teachers	155	2.03
Unemployed recipients of independent incomes	195	2.56
No occupation given	198	2.60
Totals	7,630	100.00

Unique Report Issued

These figures are from a unique study of small loans made by Central Finance Corp., Toronto, one of the three federally inspected small loan companies in Canada. The study is believed to be the first report ever issued on actual operating experience of Canadian small loan companies.

The report covers 7,630 loans to Canadian families in 1933, totalling $1,471,360, and is, therefore, representative of the licensed small loan business as a whole. That profits from the business are moderate, is indicated by the fact that earned surplus over a five-year period was only $26,737 on a capital of $475,000 at Dec. 31, 1933, no dividends having been declared.

A number of arguments are advanced to show that the small loan business is necessary, and that rates charged must be high because the business is one of retailing credit with resultant high costs. It is pointed out that the business is under the direct supervision of the Department of Insurance, Ottawa, although only three of the companies in the field are licensed, these being Central Finance Corp., Industrial Loan and Finance Corp., and Loan and Discount Corp. of Canada.

Loan Fees Justified

Fee of $10 and two per cent service charge does not cover cost of making each loan, the report states. Average cost of making each loan in 1933 was $15.99, compared with average service charge and fee of $13.72. The company's profits in the first two months of 1934 amounted to 7.32 per cent on the average invested capital, it is stated. The results for 1933 were less favorable to the company, it is reported, because it was expanding its facilities.

People borrow on small loans in over 80 per cent of cases because they have not anticipated unusual expenditures. This is shown:

Cause of Borrowing

	Per Cent of Cases
Loss of income	6.87
Unusual large expenditure	30.08
Failure to provide for taxes, interest, coal, clothing, etc.	48.01
Total external causes	84.96
Failure to live within income	10.00
Causes undetermined	5.04
	100.00

Effect of Loans

Thus conditions not wholly within the control of the borrowers are the cause of most borrowings of this type. The loans, comments the report, combined with the company's budget and advisory service, are calculated to restore the borrowing families to reasonable stability.

Purpose of borrowing in 83.15 per cent of cases is to meet debts already contracted, while only 14.03 per cent borrow to make cash expenditures. This is cited as an advantage to merchants and professional creditors who were relieved of the collection burden, and as a relief to the debtor.

Loans and Income

Another striking feature of the analysis is the relationship of the loan and monthly repayment to the monthly income of borrowers. In 1933 the average loan was $185, the average monthly income of borrowers $154. The average monthly repayment required was $15, or about 10 per cent of the average monthly income. The company, it is stated, by adjusting the size of the loan and repayments to the size of income "starts the borrower on the road out of debt."

The company also points out that it serves the small borrower, who, it is claimed, would not be a profitable borrower to banks, even if he had the necessary security for a bank loan. It is pointed out that the retail nature of the business results in numerous contacts, high costs, and therefore requires a higher rate of interest than other types of credit.

Attackers of the small loan business are classed in the report as those who appeal to the emotions instead of to reason and the "ignorant but virtuous."

Security for Loans

As security for its loans, the company takes chattel mortgages on household effects by notes signed by husband and wife. While the corporation had the right to foreclose these mortgages in the event of default, it is stated:

"During the year (1933) not a single piece of furniture was taken out of these thousands of homes, nor was a single garnishee or lawsuit instituted as a means of liquidating these debts."

Potato Output of P. E. I.

Final production figures for potatoes from Prince Edward Island show a total of 3,760,000 cwt. as compared with 3,188,000 cwt. in 1932, despite a considerable decrease in acreage planted.

Only 249 Canadian Farmers Paid Income Tax in 1932-33

Number of Corporation Taxpayers Increased But Corporation Profits Cut 46 Per Cent—Reduced Exemption Helped Maintain Total Taxes

Only 249 Canadian farmers, or one for every 2,875 farms, paid income tax last year and the total paid amounted to the small sum of $27,620. This would seem to indicate that in 1931, the year on which this taxation is based, Canadian farmers, with the exception of the 249, failed to earn a net income of $2,400. In the previous year, 653 farmers paid Dominion income tax although the exemption at that time was $3,000.

On the other hand, 6,483 corporations paid Dominion income tax on 1931 earnings as compared with 6,010 in the previous year under the same exemption privilege. The amount paid, however, was slightly reduced despite an increase in taxation rates from 10 per cent on 1930 income to 11 per cent, plus five per cent on incomes over $5,000 in 1931.

Corporation Profits Halved

Corporation profits in 1931, on the basis of taxes paid, amounted to approximately $226,000,000 as compared with $425,000,000 in 1930 a reduction of over 46 per cent, and the 1931 figure compares with over $550,000,000 in 1929, calculated by the same method.

These and many other interesting features are revealed by an analysis made by The Financial Post of income tax returns for the 1932-33 fiscal year supplied by the Department of National Revenue, Ottawa. The returns are grouped according to the size of incomes and to occupations and reveal figures for both individual and corporation taxpayers in Canada.

Reduction of the exemption from $1,500 to $1,200 in the case of single men and from $3,000 to $2,400 in the case of married men resulted in an increase in a number of individual income taxpayers from 133,621 in 1932 to 166,972 in 1933. However, employees are shown to be the only class to increase, there being an advance of 35 per cent or 36,450 in their number from the previous year. Despite the reduction in number of retail and wholesale merchants, personal corporations, family corporations, etc., the increases in the rate of taxation resulted in a slight increase in revenue from many of these groups.

Employees Pay More

The amount received from employees increased from $8,355,000 to $9,700,000 while the amount received from personal corporations, financial men and manufacturers, also increased. Farmers, professionals, merchants both retail and wholesale, natural resources and family corporations, paid slightly less than in the previous fiscal year.

Number of individual taxpayers and amount of taxes paid by occupational groups are shown in the following table:

No. of Individual Income Taxpayers
(Paid in Fiscal Years Ended Mar. 31)

	1933	1932	1931
Agrarians	249	653	2,276
Professional	6,012	6,512	7,448
Employees	132,722	96,272	99,658
Merchants: Retail	6,009	7,314	10,174
Wholesale	690	987	1,563
Manufacturers	581	823	947
Natural resources	101	147	174
Financial	9,736	9,718	9,278
Personal corps.	510	568	597
Family corps.	1,780	2,626	3,235
All others	8,632	8,001	8,251
Total	166,972	133,621	143,601
No. of Corporation Taxpayers			
Agrarians	40	89	88
Merchants: Retail	1,017	1,044	1,349
Wholesale	741	640	958
Manufacturers	1,829	1,803	2,475
Natural resources	169	143	295
Transport & P. Ut.	316	312	345
Financial	1,270	1,050	1,134
All others	1,101	979	959
	6,483	6,010	7,603

Fewer Millionaires

Analyzed according to amount of net income, the largest number of individual taxpayers continues to be found in the grouping "net income under $2,000." Last year, there were 37,000 taxpayers in this group, while this number has been increased to 63,276. Numbers paying income tax in the next two groups are also increased from 1932 but in every other grouping there is a reduction. Individuals with income of $10,000 and over continue to pay the bulk of the income tax, accounting for $21,000,000 out of $26,000,000 in 1933.

There were only 390 millionaires in 1933 as compared with 614 in the previous year, it would appear. This statement is, of course, only true in so far as capitalization of income at 5 per cent is considered to represent the worth of the participant. Therefore, all individuals with income greater than $50,000 are presumed to be in the millionaire class. It is interesting to note that, of this group, 181 are located in Ontario, 169 in Quebec and only 40 in other parts of Canada.

More Corporations Pay

Analysis of corporation taxes grouped by amount of net income show that corporations with incomes over $50,000 paid over 85 per cent of the total taxes collected, although only 14 per cent of taxpayers are in this group. In almost every net income class, with the exception of the two largest—that is from $30,000 upward, there is an increase in the number of corporations paying taxes in 1933, as compared with the previous year.

Number of individual and corporation taxpayers grouped by amount of net income and showing amount of tax paid in the fiscal year 1932-1933, is as follows:

FEDERAL INCOME TAXPAYERS (GROUPED BY AMOUNT OF NET INCOME)
(Paid in Fiscal Years Ended March 31)

	Individuals			Corporations		
	No. of taxpayers 1933	No. of taxpayers 1932	Taxes paid 1933	No. of taxpayers 1933	No. of taxpayers 1932	Taxes paid 1933
Under $2,000	63,276	37,002	$416,776	....	....	....
$2,000 to $3,000	29,156	19,595	453,986	1,423	1,123	$91,654
$3,000 to $4,000	27,546	21,160	538,647	693	555	141,045
$4,000 to $5,000	15,760	16,555	559,397	529	431	187,115
$5,000 to $6,000	8,951	10,410	573,859	355	343	151,721
$6,000 to $7,000	5,556	6,839	570,899	296	294	164,531
$7,000 to $8,000	3,481	4,573	513,383	206	222	129,183
$8,000 to $9,000	2,580	3,238	560,968	210	197	180,129
$9,000 to $10,000	1,962	2,462	562,341	188	140	159,422
$10,000 to $15,000	4,577	5,901	2,405,572	520	495	656,580
$15,000 to $20,000	1,653	2,405	1,980,689	344	354	574,294
$20,000 to $25,000	872	1,123	1,903,341	242	229	599,364
$25,000 to $30,000	483	646	1,568,725	153	176	471,897
$30,000 to $50,000	729	1,098	4,139,329	414	474	1,822,049
Over $50,000	390	614	9,032,358	904	971	31,229,794
Total	166,972	133,621	25,959,466	6,488	6,010	36,107,231

Provincial Distribution

Analysis of the income tax returns according to provinces is shown in the table below. This shows the relative distribution of individual and corporation taxpayers in each province, both as to number and amount for the fiscal year, and with corresponding figures as to number of taxpayers in the preceding year. Any falling off in number of taxpayers which occurred in 1932 from 1931 fiscal year has been effectively checked by the reduction in statutory allowances.

In both individual and corporation taxes paid in 1933, the domination of Ontario and Quebec is evident. British Columbia follows in both categories with Manitoba in next place.

FEDERAL INCOME TAX RETURNS BY PROVINCES
(Paid in Fiscal Years Ended March 31)

	Individuals			Corporations		
	No. of taxpayers 1933	No. of taxpayers 1932	Taxes paid 1933	No. of taxpayers 1933	No. of taxpayers 1932	Taxes paid 1933
P. E. Island	496	363	$25,310	57	43	$60,670
Nova Scotia	4,988	3,589	450,784	247	240	442,731
New Brunswick	3,995	2,668	346,063	174	190	265,286
Quebec	37,445	29,368	9,713,905	1,573	1,200	12,047,211
Ontario	76,856	60,358	11,892,746	2,856	2,529	19,138,263
Manitoba	12,263	10,007	1,035,677	423	451	1,126,062
Saskatchewan	6,221	5,479	224,763	161	273	122,211
Alberta	8,403	7,807	554,231	333	362	872,160
British Columbia	15,917	13,658	1,689,131	653	716	2,484,355
Yukon	388	324	10,387	6	6	1,229
Total	166,972	133,621	25,959,466	6,483	6,010	36,107,231

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ONTARIO SILKNIT EARNINGS LARGER NO DIVIDEND YET

Acquires Two Subsidiaries—Aided by Improvement in Australian Exchange

A substantial improvement in earnings is reported by Ontario Silknit Ltd. in the annual report to shareholders for the year ended December 31, 1933. After charging all ordinary expenses but before providing for depreciation and income taxes a return of $173,189 is reported on the combined operations compared with $158,270 for 1932 and $170,419 for 1931. During the year two subsidiary companies were acquired, Ontario Silknit (England) Ltd., and Aberley Knitting Mills Ltd.

A net profit of $41,678 is reported against $15,126 for the previous year. Profits of the Australian property were reduced owing to adverse conditions at the beginning of the season but there was a small profit on the newly acquired English company.

No action has been taken since September 15, 1931, regarding dividends on the $1,000,000 seven per cent preference stock and President M. H. Epstein explained that none is contemplated until the apparent recovery in general business becomes more assured. Depreciation write-off of $108,471 is slightly more than twice the figure allowed in 1932. Following the improvement in Australian exchange, $68,581 has been taken out of the special exchange reserve and added to surplus account.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended December 31

	1933 $	1932 $
Net earnings	173,189	158,270
Less: Deprec.	108,471	50,780
Inc. tax res.	23,040	54,945
*W/d sub. assets to basis of exch.	......	37,419
Net profit	41,678	15,126
Add: Prev. surp.	58,934	53,647
Less:		
Organ. exp. re Ont. Silknit (Eng.)	10,442	.....
Add:		
Exch. res. not required	68,581	.....
Less: Adj. applic. to Austr. co.	8,377	9,839
Balance forward	150,374	58,934

* Net current assets of subsidiary in Mexico w/d to basis of current rate of exchange.

An increase in current assets of over $200,000 is reported as shown in the table below. At $41,591 there is little change in the amount of cash on hand, the main difference over the previous year being in the inventory of raw material, supplies and work on hand. This was valued at $628,420 for 1933 compared with $426,290 for 1932. Accounts receivable were $252,870 against $213,033. The net current assets of the Australian and English subsidiaries are included in the balance sheet at the current rate of exchange at the end of the year and these represent about half of the total account. Under current liabilities, accounts and bills payable have increased from $155,575 in 1932 to $229,379, with a little larger reserve for income taxes. There is an improvement, according to the report of approximately $137,000 in the working capital of the company.

Working Capital

	1933	1932
Current assets	$931,147	$705,989
Current liabilities	298,677	210,615
Working capital	$632,470	$495,374
Ratio	3.12—1	3.35—1

In connection with the acquisition of assets of predecessor company notes payable by the Ontario Silknit (England), Ltd., over the period from April, 1934, to December, 1935, amount to $72,455, while the mortgage payable has been reduced from $109,375 to $101,175. Contingent liability in respect to customers trade paper is placed at $175,278.

WINDSOR COURT APTS. REDUCES LIABILITIES

Operating Profit $6,209 in 1933, Compared With $14,557 in 1932

Windsor Court Apartments had a net operating profit of $6,209 in 1933, compared with $14,557, in 1934, according to the recently released report by Chartered Trust and Executive Co., trustee for the six per cent first mortgage bonds, due 1942.

The company had current liabilities of $12,867 at Dec. 31, 1933, of which $11,144 represented taxes, compared with $19,028 in 1932. Bonds outstanding amount to $380,000 and have been in default of interest since Dec. 1, 1932.

No depreciation was charged in 1933. The income statement is as follows:

Income Account and Current Liabilities
Years Ended Dec. 31

	1933 $	1932 $
Revenue	32,221	49,768
Less: op. exps.	16,947	22,852
Insurance	1,364	1,222
Taxes	7,701	11,137
Oper. profit	6,209	14,557
Less: deprec.	......	10,720
	6,209	3,837
Curr. liabilities inc. taxes	12,867	19,028

Reports for the first three months of 1934, are not as good as the first quarter of 1933, it is stated, but are better than the average for 1933. Owing to a falling off in rentals, maintenance work on the apartment was deferred in 1933. Necessary painting and repairs are now being effected, it is stated.

St. Catherine Improvement Co. Sinking Fund in Arrears

Plan to get consent of holders of the 6½ per cent first mortgage bonds of St. Catherine Improvement Co., due 1947, to postponement of sinking fund installments was unsuccessful early this year. The bondholders' meeting was first postponed and then dissolved, for lack of sufficient representation at the meeting. The company operates "Automobile Sales Building," Montreal.

The result is that the company remains in default in respect of some sinking fund payments. It is expected, however, that interest payments will be maintained and that sinking fund payments will eventually be resumed, The Financial Post is informed. Bondholders who deposited their securities in order to obtain voting certificates have been informed that these securities may now be withdrawn from depost.

Randolph Hotel Interest Nearly Earned in 1933

Randolph Hotel Co., Kingston, operating Hotel La Salle, is reported to have earned only about three-quarters of its bond interest in 1933. However, it is stated that the company's cash position is good.

The company has reduced its 6½ per cent first mortgage bond issue, due 1947, from an original amount of $250,000 to about $220,000, it is understood.

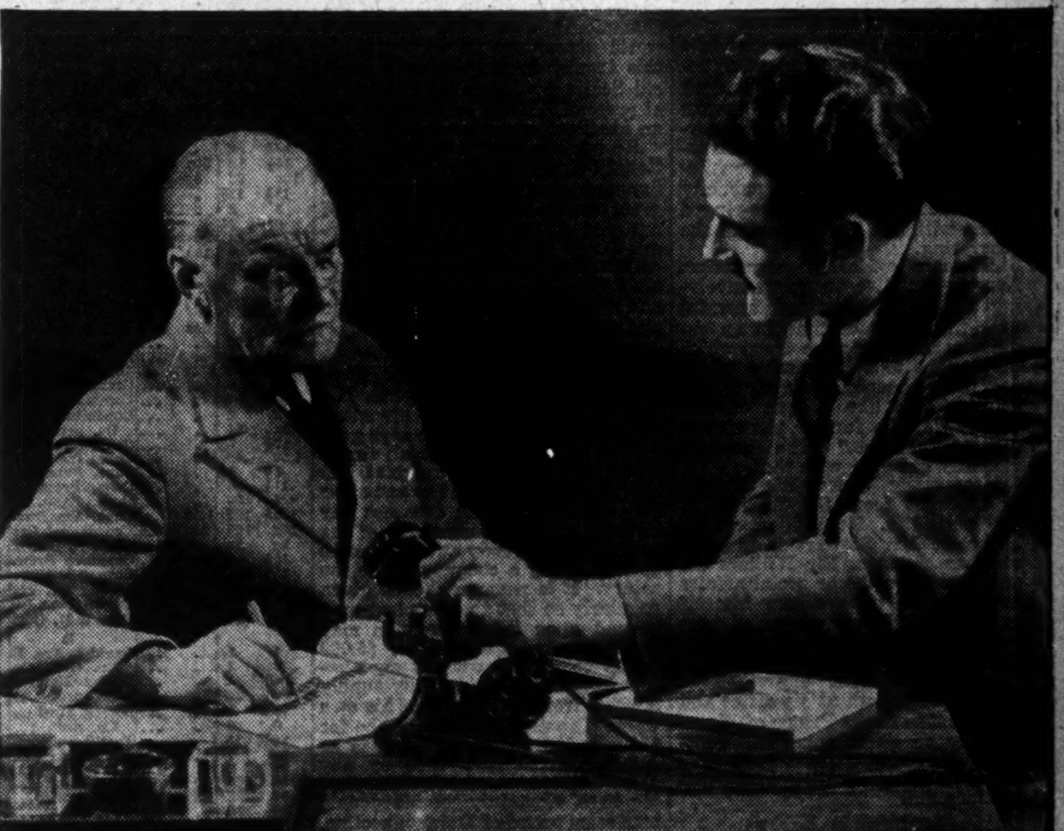
Quebec Apartments Plan Gives Bonds 84% Equity

Reorganization plan for Quebec Apartments Ltd., has been approved by bondholders, and is awaiting approval of shareholders, which, it is said, is only a matter of form. Exchange of securities may be arranged in a few weeks, it is understood.

The plan calls for exchange of 6½ per cent first mortgage bonds, due 1940, for half the amount of new five per cent bonds, due 1950. The 6½'s, which have been outstanding in amount of $658,200 will, therefore, be reduced to $329,100 of 5's.

To compensate bondholders for reduction of capital and interest, 6,582 shares, of a total of 7,800 common shares to be outstanding, will be given to bondholders, one share for each $100 of the old 6½'s held. In addition to the mortgage, therefore, bondholders will hold 84 per cent of the equity in the property.

The plan also calls for cancellation of interest which fell due on July 1, 1933, and Jan. 1 and July 1, 1934. An annual sinking fund of 2 per cent of the principal amount of bonds outstanding is provided by the plan. First sinking fund payment is due Dec. 31, 1936.



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TORONTO — MONTREAL

STEWART IS MYSTERY MAN OF CANADIAN BUSINESS

(Continued from page 11)

his secret enthusiasms and ambitions outside business later. Sir William Macdonald did his best work after 1898 when he teamed up with Dr. Robertson. He was then about sixty-five years of age and he had many millions with which to work. He made the millions first and kept on making them while he spent $13,000,000 on McGill University and allied institutions and millions of dollars on other projects outlined.

But the scorn with which Walter M. Stewart repulsed the suggestion that a contribution to party funds would be taken as an indication that he joined other tobacco manufacturers in wanting the excise tax reduced was just what Sir William Macdonald would have felt. Sir William did not seek help from Ottawa and was against all attempts to get profits by means of lobbying for favorable taxation. He had a warm sense of well-being in donating a million dollars to education but it would have hurt worse than a perpetual toothache to donate a fraction of that money to party funds to be spent in ways of which he could have no cognizance. He gave from his wealth far more than taxes could ever have taken from him back to the general interests of Canada.

His Advice to Farmers

Walter M. Stewart stepped into the limelight at Ottawa where reporters saw him as "a tall, dark man with fire in his eye," a man who started to investigate the government that was trying to investigate him. He did not want publicity but if there was to be publicity he wanted it to be a two-ringed circus with the government in the other ring.

A man evidently aggressive, fiercely sensitive on points involving business rights and scornful over the waste of time in an enquiry concerning price drops which he thought to be inevitable whenever over-production develops, his solution was like a dash of cold water, "let the farmer plough under his tobacco." The growers violently disagree with that.

Necessarily Walter M. Stewart is different from Sir William in his social life. Sir William was a bachelor; Mr. Stewart is married and has children. Sir William did not care for clubs or social affairs and he could always bury himself in books. This gray-bearded man dressed in plain black and receiving visitors with formal courtesy was content with unpretentious surroundings both at his office and at his house in the Prince of Wales Terrace on Sherbrooke St., Montreal. His scale of life did not vary with increasing wealth but his benefactions did.

Business is Hobby

Mr. Stewart has so far been immersed in business affairs. He has not made apparent to the outside world just what his passions, hobbies, interests are. The business is no doubt his great hobby and his pleasure. It is easy to see why Sir William Macdonald handed it on to him. His meteoric appearance at Ottawa will direct public attention in a white blaze on the personal side of Walter M. Stewart. The great work of his predecessor would make almost anyone suffer by comparison, but no one can compare Walter M. Stewart with Sir William. He wraps himself in a mantle of mystery, and no one knows where he stands out of business hours. He is no more a club man or a leading social figure than Sir William was. But where Sir William doted on science, on education that led somewhere, on books, and was indifferent to art and music, there may be a divergence because Walter M. Stewart belongs to the Art Association. But again that may follow from his connection with the Bank of Montreal and the Royal Trust Co. whose executives have been long and strong on art for many decades back.

Another difference. Walter M. Stewart played golf until three years ago and we never heard that Sir William did that. Both lived in the same plain stone-front house in Prince of Wales Terrace, Sherbrooke St., Montreal, but Walter Stewart being a family man has bought the house next door and incorporated it.

Is Enthusiastic Curler

Personally not much is known of Walter M. Stewart. Some of his old intimates speak of him as a crackerjack tennis player. His old schoolfriends must have known him as a lad because both he and his brother were born in Montreal but he has not mingled much with other business men. He is an enthusiastic curler and he is responsible for the Macdonald Brier trophy which is the chief trophy in the world for curlers. Macdonalds pays expenses of the best team of four men from every province of Canada each year so that these may fight out the contest for Dominion holder of the championship. In other words the world champions in curling hold this trophy because Canada leads old Scotia by 100 miles in curling at present. His brother Howard was an excellent curler as well.

He takes a great interest in national defence. Walter M. Stewart financed rifle matches after the great war to stimulate the idea of national defence. He did not forget Sir Wiliam's interest in agriculture but paid expenses of livestock judging teams to the International Live Stock show at Chicago and they did well.

Wife Is Best Friend

Walter M. Stewart has three children, one boy and two girls. His wife is his best friend, his other friends say, and what she says goes a long way with him at all times.

His reticence is proverbial and his relations with his office and other help are unique. He does not pay high salaries but members of his staff, it is said, may at any time be astonished by a cheque outside the salary. It is never a cheque given regularly so that the recipient may depend upon it. But a man may some day find a cheque for $5,000 in his possession without explanation except such as he may supply himself from knowledge of his own work. The next cheque may be for $500 or $50 but the method is so different from that used by any other concern that it is worth relating here. Certainly the Macdonald men seem proud of their connection.

Rowntree Co. Calls Bonds Redemption Aug. 1 at 101½

The Rowntree Co., Toronto, has given notice that it will redeem the entire outstanding balance of its six per cent, first mortgage bonds, due 1937, at 101½ on Aug. 1, 1934. This does not apply to bonds that have been called for redemption previously.

The bonds will be redeemed in New York, Montreal or Toronto funds, at the option of the holders, and interest will stop after Aug. 1. Bondholders who wish to surrender bonds prior to Aug 1 may do so at the full premium, and with the optional payment, but accrued interest will be allowed only up to the date of the surrender. The bonds were issued in 1927.

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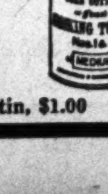
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1 ounce tin, 25c 2 ounce tin, 50c 4 ounce tin, $1.00 12

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING MAY 14

Range 1934 High	Low	Divd. Rate in $	Yield in % May 12		Sales	Close May 7 (or last)	Week Ending May 14— High	Low	Close
[illegible]									
37	20	.	...	Wabasso Cot.	290	35	32	31	31½
57½	30	.	...	Walker-Good.	21487	32	34½	31	32⅝
17½	15½	1	6.3	Do. pref. ...	4248	16	16½	15½	15⅝
10.00	3.90	.	...	Walkerville Br	8467	8.70	9.15	8.50	9.00
4	2	.	...	Waterloo Mfg.	30	2½	2½	2¼	2¼
x80	75	7	...	W. Koot. Pr. p	....	..	..	..	..
8½	6½	.	...	West. C. Flour	170	6½	6½	6½	6½
62	48	3	4.8	Do. pref. ...	45	55	62	57	62
33	30	.	...	West. Grocers.	....	33	..	..	..
87	85	7	8.2	Do. pref. ...	....	85	..	..	..
39½	28	1	2.6	Weston Bisc.	472	38½	38½	37½	38
108	88½	7	6.5	Do. pref. ...	15	108	108	108	108
5	3½	.	...	Whittall Can	....	4	..	..	..
65	35	6.50	11.6	Do. pref. ...	....	56	..	..	..
2	2	.	...	Windsor Hotel.	....	2	..	..	..
18	5½	.	...	Do. pref. ...	....	10	..	..	..
4	1½	■	...	Winnipeg Elec.	630	3½	3⅜	3⅜	3⅜
12	4	.	...	Do. pref. ...	20	10	9	9	9
40	20	.	...	Woods Mfg. p.	....	40	..	..	..
				Z					
6½	4	.	...	Zimmerknit, c.	150	5	6½	5½	6½
50	50	.	...	Do. pref. ...	....	50	..	..	..

§ Quotations for 1933. No sales recorded in 1934 to date.
x Quotations for 1932.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
* See "Unlisted Stocks" also.
* Plus 25c. on arrears paid April 2.
a Plus 75c. on arrears paid April 2.
▲ On account of arrears.
* Plus extra of 87½c. paid Jan. 31.
■ Plus $3.50 on arrears paid Feb. 15.

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto)
May 15, 1934

Public Utility Issues:	Int. Rate	Due	Bid	Asked
Beauharnois L. H. & Pwr.	5½%	1973	96	98
Beauharnois Power Corp.	6%	1959	62	65
Beauharnois Power Corp.	5%	1973	50	53
Bell Telephone	5%	1955	108	110
Bell Telephone	5%	1957	108	110
B. C. Power	5%	1960	96	99
B. C. Power	5½%	1960	101	104
B. C. Telephone	5%	1960	102½	104½
Calgary Power	5%	1960	95	98
Canada Northern Power	5%	1953	94	97
Cedars Rapids Mfg. & Power	5%	1953	109	111
Dominion Gas & Electric	6½%	1945	63	66
Duke-Price Power	6%	1966	93	96
Gatineau Power	5%	1956	92	95
Gatineau Power	6%	1941	87	90
International Hydro-Electric	6%	1944	60	64
International Power	6½%	1957	65	69
Jamaica Public Service	5%	1950	95½	98
Maclaren-Quebec Power	5½%	1961	97	100
Manitoba Power	5½%	1951	54	57
Montreal Island Power	5½%	1957	99	101
Montreal L. H. & Power	5%	1951	109	110½
Montreal L. H. & Power	5%	1970	109	110½
Montreal Public Service	5%	1942	106	108
Montreal Tramways	5%	1955	81	84
Montreal Tramways	4½%	1955	75	78
Montreal Tramways	5%	1941	99½	101½
N. B. Power	5%	1937	65	70
Northwestern Utilities	7%	1938	99	101
N. S. Lt. & Power	5%	1958	96½	99½
Ottawa L. H. & Power	5%	1957	100	103
Ottawa Valley Power	5½%	1970	104	106
Provincial Light & Power	5%	1946	106	...
Quebec Power	5%	1968	99	101
Rio de Janeiro T., L. & Pwr.	5%	1935	104½	...
Shawinigan Water & Power	6%	1937	101½	103½
Shawinigan Water & Power	4½%	1970	92	95
Shawinigan Water & Power	5%	1970	99	101
Southern Canada Power	5%	1955	103	105
United Securities	5½%	1952	85	88
W. Kootenay Power	5%	1956	104½	106½
Western Power Co.	5%	1949	101	103
Winnipeg Electric	5%	1935	91½	93½
Winnipeg Electric	6%	1954	40	44
Industrial and Realty Issues:				
Abitibi P. & P.	5%	1953	42	44
Abitibi P. & P. C.O.D.'s	5%	1953	39	41
Acadia Sugar	6%	1946	101	103
Albert-Bay	6½%	1942	70	...
Alberta Pacific Grain	6%	1946	72	75
Algoma Steel	5%	1962	15	18
American Sales Book	6%	1939	100	...
Asbestos Corp. (ex Stock)	6%	1941	59	63
Asbestos Corp.	5%	1942	101	...
Atlantic Sugar	5%	1941	94	...
Balfour Building	6%	1943	46	...
Belding-Corticelli	5%	1936	101	...
Bloor-St. George Realty	7%	1946	40	...
Booth Buildings	6½%	1937	97	...
Brandram-Henderson	6%	1936	88	...
British American Oil	5%	1945	103½	105½
British Columbia Pulp & Paper	6%	1950	65	68
Brown Co.	5½%	1946	52	55
Burns & Co.	5½%	1948	38	41
Canada Biscuit	6½%	1946	30	35
Canada Bread	6%	1941	92	95
Canada Cement	5½%	1947	93	95
Canada Paper	6%	1945	87	90
Canada Steamship	5%	1943	88	...
Canada Steamship	6%	1941	30	33
Canadian Canners	6%	1950	101½	...
Canadian Cons. Felt	6%	1940	86	...
Canadian Copper Refiners	6%	1945	107½	109
Canadian Cottons	5%	1940	100	...
Canadian Goodrich	7%	1943	93	...
Canadian Internat. Paper	6%	1949	70	74
C. P. R.	6%	1942	113	115
C. P. R.	4½%	1944	89½	92
C. P. R.	5%	1954	98	100
Can. Rail & H. Term.	6½%	1951	28	30
Canadian Vickers	6%	1947	63	66
Cons. Investment	4½%	1959	79	...
Consolidated Paper	5½%	1961	23	25
Debenture & Security	4%	1936	74	...
Dominion Canners	6%	1940	106	...
Dominion Square Corp.	6%	1948	54	...
Dominion Tar	6%	1949	92	95
Dominion Textile	6%	1949	106½	...
Dominion Woollens & Worsteds	6%	1948	45	48
Donnacona Paper	5½%	1948	55	58
Eastern Dairies	6%	1949	69	...
Eaton, T., Realty	5%	1949	96½	99
Famous Players	6%	1948	90	93
Famous Players	6½%	1948	78	81
Federal Grain	6%	1949	72	75
Firestone Tire	7%	1937	100	...
Fraser Companies	6%	1950	48	51
French Nat. Mail S.S.	6%	1952	156	...
Galt Brass	7½%	1941	34	...
General Brock Hotel	6%	1948	27	31
General Steel Wares	6%	1952	84	86
Godfrey Realty	6%	1942	42	...
Great Lakes Paper	6%	1950	40	43
Gypsum, Lime & Alabastine	5½%	1948	77	80
Hamilton By-Products Coke	7%	1943	100½	103½
Harris Abattoir	6%	1947	103	...
Int'l. P. & P. Nfld.	5%	1968	89	92
Inter-City Baking	5½%	1948	84	87
Lake & Rail Warehouse	6%	1951	99	...
Lake St John Power & Paper	6½%	1947	63	66
Lake St. John Power & Paper	6½%	1942	30	33
London Realty	6%	1950	68	72
Lord Nelson Hotel	4%	1947	62	65
Maple Leaf Milling	5½%	1949	38	41
Massey-Harris	5%	1947	70½	73½
McColl-Frontenac	6%	1949	102½	105
McKinnon Industries	6½%	1945	100	...
Mercury Mills	5½%	1953	72	...
Metropolitan Building	7%	1944	98	...
Minn. & Ont. Paper	6%	1945	24	26
Montreal Coke	5½%	1947	102	105
Montreal Cottons	5%	1943	95	...
Montreal Dry Docks	6%	1948	50	54
Northern Electric	5%	1939	103	...
Northern Ont. Bldg.	6½%	1939	95	98
N. S. Cold Storage	6%	1958	85	88
Ontario Building	6½%	1943	38	42
Ontario Steel Products	6%	1943	90	...
Pacific Burt	6½%	1937	100	...
Penman's	5½%	1951	104½	107
Price Bros.	6%	1943	100½	103
Prov. Paper	5½%	1947	95½	98½
Queen's Hotel	6%	1947	72	75
Reliance Grain	6%	1948	85	88
Restigouche Co.	5½%	1948	74	77
Richmond-Bay Bldg.	6½%	1947	82	...
Riordon Pulp & Paper	6%	1942	100	...
Ritchie Cut Stone	6½%	1948	74	...
Rolland Paper	5½%	1948	95	98
Rowntree Co.	6%	1937	101	...
St. Lawrence Flour	6%	1941	100	...
Shawinigan Cotton	6%	1949	88	91
Simpson's Ltd.	6%	1949	98	100
Smith, Howard	5½%	1953	95	98
Steel Co. of Canada	6%	1940	107	...
Stop & Shop	6%	1947	88	91
Toronto Carpet	6%	1944	100	...
United Amusement	6%	1942	89	91
United Corpns.	5%	1953	79	...
United Gas & Fuel	5½%	1948	87	90
United Grain Growers	5%	1948	81	84
Wabasso Cotton	6%	1947	94	...
Wabasso Cotton	7%	1942	94	...
Walmsley, Chas	6%	1943	97	...
Windsor Hotel	6½%	1943	68	71
Woods Mfg.	6%	1943	84	...

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Acme Glove, pref.	6½%	1⅝%	June 15	May 28
Agnew-Surpass, pref.	$7	$1.75	July 3	June 15
Andian National, c. (11)	$2	$1	June 1	May 15
Belding-Corticelli, pref.	$7	$1.75	June 15	May 31
Bk. Can. Nationale	$10	$2.50	June 1	May 15
Bank of Montreal	$8	$2	June 1	Apr. 30
Bank of Nova Scotia	$12	$3	July 3	June 15
Bank of Toronto	$10	$2.50	June 1	May 15
Borden's, c. (97)	$1.60	40c	June 1	May 15
Can. Hydro Elec. 1st pref.	6%	1½%	June 1	May 1
Can. Bank of Commerce	$8	$2	June 1	Apr. 30
Canadian Oil, pref.	$8	$2	July 1	June 20
Canada Malting (26)	$1.50	37½c	June 15	May 31
Cons. Diver. Std. Secs., pfd.	..	25c	June 15	June 1
Crow's Nest Coal	$4	$2	June 1	May 10
Dome Mines	$2	50c	July 20	June 30
Do., bonus	..	$1.50	July 20	June 30
Dominion Textile, pref.	$7	$1.75	July 16	June 30
Do., com.	$5	$1.25	July 2	June 15
Falconbridge Nickel	..	5c	June 29	June 15
Ford Motor, A & B	...	50c	May 28	May 8
Hollinger Gold	65c	5c	May 21	May 4
Do., extra	...	5c	May 21	May 4
Imperial Oil (41)	50c	25c	June 1	May 15
Do., extra	...	15c	June 1	May 15
Inter. Nickel, com.	..	10c	June 30	May 31
Inter Petroleum (41)	$1.12	56c	June 1	May 15
Do., extra	...	44c	June 1	May 15
Do., pref.	$1.12	56c	June 1	May 15
Do., extra	...	44c	June 1	May 15
Inter. Milling, 1st pref.	$7	$1.75	June 1	May 19
Do., A pref.	$6	$1.50	June 1	May 19
Laura Secord	$3	75c	June 1	May 15
Loblaw Grocet., A & B	$1	25c	June 1	May 14
Do., extra	..	15c	June 1	May 14
McIntyre-Porcupine	$1	25c	June 1	May 1
Do., extra	50c	12½c	June 1	May 1
Do., bonus	...	12½c	June 1	May 1
McColl-Frontenac, c.	80c	20c	June 15	May 15
National Biscuit, pref.	$7	$1.75	May 31	May 17
N. S. Light & Pr., pfd.	6%	1½%	June 1	May 16
Ogilvie Flour, pref.	$7	$1.75	June 1	May 22
Provincial Bank	$6	$1.50	June 1	May 15
Royal Bank	$8	$2	June 1	Apr. 30
Royalite Oil	..	50c	May 31	May 18
Rolland Paper, pfd.	6%	1½%	June 1	May 15
Toronto Elevators, pfd.	$7	$1.75	July 16	July 3
Toburn Gold	8c	2c	May 22	Apr. 28
H. Walker—G. & W., pfd.	$1	25c	June 15	May 25

Dividend Rate Increased—
Dome Mines, July 20, $1 to $2 per annum.
Dominion Textile, com., July 2, $4 to $5 per annum.
McColl-Frontenac, c., June 15, 60c. to 80c. per annum.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto.
May 15, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	2.50	....
Acadia Sugar pfd.	4.40	4.90
Allens London pfd. bonus c.	35.00	....
Allens St. Cath. pfd. bonus c.	35.00	....
Allens Toronto pfd. bonus c.	22.00	....
Andian National ex. div.	34.00	36.00
Atlan. Sugar pfd.	87.00	93.00
B. C. P. & P. pfd.	4.50	7.00
Burns pfd. bon. c.	7.10	8.50
Can. Dom. Sugar	44.50	46.00
Can. Machinery c.	1.50	2.00
Can. Machy. pfd.	12.00	17.00
Canada Packers c.	37.00	40.50
Can. Packers pfd.	99.50	102.00
Can. Starch c.	7.50	....
Can. Starch pfd.	76.50	....
Can. W. & Cable pfd. WW	79.00	82.00
Can. Indust. A	157.00	....
Can. Indust. B	157.00	170.00
Can. Indust. pfd.	136.00	140.00
Can. Westing'se	45.00	48.00
Chase pfd. bon. c	20.50	23.50
Claude Neon Gen. Adv. Units	4.75	7.00
Comm. Fin pfd. bonus c.	9.00	....
Copeland Fl. Mills Units	5.00	6.75
Dom. F. & Steel c.	9.00	10.50
Dom. F. & Steel p.	66.00	....
Dom. Manufac. pf.	64.50	....
Dom. Woollens c.	3.00	3.60
Dunlop Tire pfd.	66.00	....
East. Dairies pfd.	10.00	13.00
Easy Wash. pfd. (New)	....	8.25
Federal Grain pfd.	14.00	18.00
For. Power Sec. pf.	10.00	13.00
Gen. St. Wares pf.	25.00	28.00
Goderich Elev. & Transit	7.00	8.50
Green. Wire pfd.	65.50	....
Guelph Carpet pf.	80.00	83.00
Guelph Carpet c.	10.00	13.00
Harding Carpets Units	20.50	....
Hayes Wheels pfd.	8.00	12.50
Highland Dairy c.	4.75	8.00
Highland Dairy p.	64.00	....
Inter City Bak. c.	13.25	15.00
Inter. Paints pfd.	13.25	15.00
Inter. Propriet. A	34.00	36.00
Langley's pfd.	57.50	61.00
Loew's Lond. pfd.	3.40	4.25
Loew's Toronto p.	71.00	80.00
Mansfield Thea. p.	27.50	31.00
Massey-Harris pf.	18.00	21.00
Nat. Grocers c.	4.75	5.10
Nat. Grocers pfd.	103.00	....
New Meth. Laund. pfd.	45.00	55.00
Para. Kitchener p.	35.00	....
Para. Oshawa pfd.	43.00	....
Prov. Paper pfd.	84.50	88.50
Reliance Grain pf.	48.50	53.00
Rob. Cons. Cone	7.50	8.50
Rolland Paper pfd. WW	73.00	77.00
Ruddy, E. L., pfd.	14.75	....
Serv. Stat. A pfd.	53.00	58.00
Stand. Fuel pfd. bonus	87.50	91.50
Supersilk pf. bonus	56.50	....
Supertest Pet. B pfd.	23.50	25.50
Thayers com.	6.00	6.75
Thayers pfd.	40.50	42.50
United Corpns. A	12.75	14.75
United Corpns. B	4.25	5.25
West. Grain pfd. bonus	5.00	7.00
Willards Choc. pfd.	6.25	10.00
Wood, Alex. & J. pfd.	20.00	25.00
Zimmerknit com.	6.50	7.00

Insurance Stocks:	Bid	Asked
Brit. Amer. Assce.	28.00	....
Canada Life	435.00	....
Can. Fire	55.00	60.00
Confed. Life 20% pd.	120.00	125.00
Cont. Life 20% pd.	37.50	42.00
Crown Life	101.00%	....
Dom. Fire	85.00	....
Dom. Life 50% pd.	166.00	....
Dom. of Can. Gen. Ins.	100.00	106.00
Empire Life 25% pd.	10.00	13.00
Excel. Life 30% pd.	74.50	79.00
Fed. Fire 25% pd.	37.00	....
Great-West Life	330.00	350.00
Guar. of N. A. fully paid	200.00	225.00
Guar. of N. A. 20% pd.	40.00	....
Imperial Life	289.00	....
Manufac. Life	222.00	227.00
Monarch Life 10% pd.	18.00	21.00
National Life 25% pd.	50.50	60.00
Sov. Life 25% pd.	15.00	20.00
Sun Life	450.00	465.00
Tor. Gen. Insce.	4.50	6.00
Traders Fin. A pf.	39.00	42.00
West. Assur. c.	27.00	....
West. Assur. p.	32.50	....
West. Life 20% pd.	9.00	12.00
Trust & Loan Stocks:		
Br. Mtge. & Tr.	130.00	140.00
Chartered Trust	65.50	70.00
London & West. Tr.	....	41.50
Premier Trust	87.50	....
Sec. Loan & Sav.	101.50	....
Sterling Trust	....	45.00
Trusts & Guar.	40.00	43.50
Vic. Tr. & Sav.	120.00	130.00
Waterloo Tr. & S.	78.00	....
Investment Trust Shares:		
Can. Gen. Invest.	5.60	5.85
Can. Int. Inv. Tr. Units	21.00	....
Can. Invest. Fund	3.20	3.40
Can. Investors	6.00	7.25
Cons. Div. Stand. Sec. pfd.	11.75	13.50
Debenture & Sec. 5% pfd.	20.00	....
Dom. & Anglo Inv. Units	191.00	....
Dom. Scottish Inv. Units	22.25	26.00
Invest. Foundation Units	40.00	44.50
Sec. Holding Un.	9.00	12.50
Power Issues:		
Calgary Pwr. pfd.	88.00	90.50
Can. L. & P. c.	22.50	28.00
Can. W. Nat. Gas L. H. & P. pfd.	88.50	91.00
Gt. Lakes Pr. pfd.	35.00	45.00
Marit. T. & Tl. pf.	11.50	13.00
N. B. Telephone c.	9.65	10.25
N. S. L. & P. c.	32.00	....
N. S. L. & P. pf.	86.00	....

Recent London Quotations:

Brit. Col. Tele., pfd.	$100
Brew. & Distillers	8s.
Can. & For. Secs.	5s. 6d.
Can. Collier, A, inc. stk.	36
Do., B	6
Can. N. W. Land	£1⅓
Can. West. Lumber	1s. 9d.
Hudson's Bay	27s. 6d.
Do., 5% pref.	102s 6d.
Internat. Holdings	$2
Nfld. Pr. & Pap. deb. stock B 5½%	103
Tor. Sub'an 4½% deb. stk.	20
Trust and Loan	1/16

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., Toronto
May 16, 1934

			Bid	Asked	Approx. Yield
*†Dominion	5	1 Mar., 1937	107.35	107.75	2.12
†Dominion	5½	1 Dec., 1937	110.12	110.37	2.45
Dominion	5½	1 Nov., 1934	101.35	101.50	2.30
Dominion	3½	15 Oct., 1935	101.50	102.00	2.04
Dominion	4	15 Oct., 1935	102.00	102.50	2.20
Dominion	5	15 Nov., 1936	105.30	105.50	2.71
Dominion	4	15 Oct., 1939	103.25	103.75	3.24
Dominion	4½	1 Sept., 1940	105.65	106.00	3.50
Dominion	5	15 Nov., 1941	108.35	108.65	3.67
Dominion	5	15 Oct., 1943	108.75	109.00	3.85
Dominion	4½	15 Oct., 1944	105.50	106.00	3.80
Dominion	4	15 Oct., 1943-45	102.20	102.50	3.68
Dominion	4½	1 Feb., 1946	105.50	106.00	3.86
Dominion	4	15 Oct., 1947-52	102.25	102.65	3.75
Dominion	4½	1 Nov., 1946-56	105.10	105.50	3.94
Dominion	4½	1 Nov., 1947-57	105.10	105.50	3.97
Dominion	4½	1 Nov., 1948-58	105.10	105.50	4.00
Dominion	4½	1 Nov., 1949-59 (with talons)	105.35	105.65	4.05
Dominion Guaranteed Bonds					
xCan. Nat. Ry.	4½	1 Sept., 1951	107.50	108.00	3.87
*Can. Nat. Ry.	4½	1 July, 1957	106.00	106.50	4.07
Can. Nat. Ry.	5	1 Feb., 1954	111.25	112.00	4.12
xCan. Nat. Ry.	4¾	15 June, 1955	110.00	110.75	4.00
xCan. Nat. Ry.	4½	1 Feb., 1956	107.50	108.00	3.95
xCan. Nat. Ry.	4½	1 Dec., 1968	106.00	106.50	4.15
xCan. Nat. Ry.	5	1 Oct., 1969	112.50	113.25	4.08
xMontreal Harbour Cm.	5	1 Nov., 1969	112.75	113.50	4.06
Provincial Government Bonds					
*Alberta	4½	1 Oct., 1956	88.00	89.50	5.30
Alberta	6	1 Mar., 1947	101.75	102.75	5.70
*British Col.	4½	1 Oct., 1953	84.00	86.50	5.65
British Col.	5½	1 Feb., 1945	95.25	96.25	5.97
British Col.	6	15 Feb., 1947	97.00	98.50	6.17
xManitoba	5	2 Dec., 1959	95.50	96.50	5.25
Manitoba	5½	1 Oct., 1955	96.50	97.50	5.70
Manitoba	6	1 Apr., 1947	100.50	101.50	5.83
*N. B.	4¾	15 Apr., 1960	104.50	105.50	4.39
N. B.	5	2 July, 1963	108.50	110.00	4.39
N. B.	5½	15 May, 1950	109.00	110.00	4.61
N. Scotia	4½	15 May, 1943	103.00	103.75	4.00
*N. Scotia	5	1 Mar., 1960	110.50	112.00	4.23
xOntario	4	1 June, 1962	100.75	101.50	3.91
xOntario	4½	1 Sept., 1944	107.00	108.00	3.58
Ontario	4½	1 June, 1950	105.00	105.50	4.04
xOntario	5	2 Dec., 1960	114.25	114.75	4.09
Ontario	5½	1 July, 1946	112.25	113.00	4.16
Ont. H. C.	3½-4-5	1 Oct., 1952	98.00	98.75	3.95
xOnt. H. C.	4	1 Aug., 1957	100.50	101.50	3.90
Ont. H. C.	4¾	1 Jan., 1970	107.25	108.25	4.30
Quebec	4¼	1 Aug., 1958	104.00	105.00	3.93
Sask.	5	1 Aug., 1958	89.50	90.25	5.75
*Sask.	5	1 Nov., 1959	89.50	91.00	5.67
Sask.	5½	1 Oct., 1952	95.00	96.00	5.86
Sask.	6	15 Mar., 1952	99.00	100.00	6.00

Municipal Bonds

				Bid	Asked	Yield
*Calgary	5½	2 June, 1944	2 June	91	94	6.29
*Edmonton	5½	1 Nov., 1945	1 Nov.	91	93	6.40
*Halifax	5	1 July, 1961	1 July	107½	109½	4.40
Hamilton	5	1 May, 1950	1 Nov.	106	107½	4.35
Montreal	5	1 Mar., 1945	1 Sept.	101½	103	4.65
Ottawa	4½	1 July, 1945	1 July	103½	105	3.95
*Quebec	5	1 June, 1959	1 June	102	104	4.72
Regina	5	1 July, 1944	1 July	83	87	6.75
St. John	5	15 Dec., 1950	15 June	106	108	4.32
*Toronto	4½	1 Jan., 1955	1 July	104	105½	4.10
Victoria	5	21 July, 1945	21 July	90	94	5.72
Winnipeg	5	1 Mar., 1944	1 Sept.	94	96	5.52

† Tax Exempt Issues. *Payable in Canada and New York.
x Payable in Canada, New York and London. Yields are calculated on offering prices.

Winnipeg Stock Exchange

(Transactions for week to May 12)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close May 12
..	..	Canadian Rand	100	.22½	.22½	.22½
..	..	Gabrielle	200	.60	.60	.60
..	..	Island Lake	4,500	.13	.12	.12
..	..	McLeod Cockshutt	500	.42½	.42½	.42½
..	..	Rice Lake Units	1	14.00	14.00	14.00
1.25	8.4	Sovereign Life	10	15	15	15
1	10	United Grain Growers	10	10	10	10
..	..	Wallace Lake	2,000	.16	.16	.16

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Pellissiers	⅛	..
Beaver Lumber, pfd.	..	63	Do., pref.	..	24
Do., com.	..	3¾	Can. Amer. Tr. shs.	2¾	3
Can. Fire Ins.	56	60	Can. Inv. Fund	..	3.45
Federal Grain pref.	15	..	Fundamental Ser. A	..	4¾
Home Investment	20	..	Fundamental Ser. B	3¾	..
Northern Trust	10	..	Grouped Inc. shs.	..	4.15

* Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending May 14, 1934

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1934 High	Low
Mtl. Trams	5	1941	4.91	...	100¼	...	101	97¼
Mtl. L.H.&Pr. debs.	3	1939	46½	46⅛	46	46⅛	46⅛	43⅜
Unlisted								
Cons. Paper	5½	1961	...	...	24	...	26	13¼

Complete Mining Quotations on page 18

GODFREY REALTY TO PAY 3% JUNE 1

First Payment on Scrip as Created By Reorganization Plan

Holders of six per cent first mortgage bonds of Godfrey Realty Co. have been advised that a payment of three per cent on the scrip coupons for deferred interest will be made on June 1, bearing out The Financial Post's information given nearly three months ago.

The scrip coupons are referred to as "certificates of indebtedness." This refers to a scheme of reorganization approved Nov. 20, 1933. Under the plan, interest coupons for three years are exchangeable for these certificates, payable out of earnings.

The June 1 payment will be the first on the scrip, the payment for Dec. 1, 1933, not having been made. Since the June 1 payment is six months late, six per cent interest for that period is to be added; that is, on a $1,000 bond the holder will receive $30 plus 90 cents interest.

"It is almost certain" that a payment will also be made Dec. 1, 1934, states Gordon Thorley, president of the company. Current price of the bonds is about 42 bid, 45 asked.

News of Canadian Mining Investments

The Week in Mining

"Not Another Cobalt."

THE statement by Fraser D. Reid, consulting engineer for the Eldorado Gold Mines at the annual meeting of the company, that the developments of silver ore in the Great Bear area did not suggest another Cobalt, at least as far as present developments indicated, came as a great surprise to his listeners. He stated that the silver occurred in irregular lenses in a sheer zone that would take time to appraise and fell far short of the Cobalt simile that enthusiastic boosters had bestowed on the area.

Without detracting from its ultimate possibilities, Mr. Reid's observations as a consulting engineer, substantiated independent reports and the carefully guarded statements of Dr. D. F. Kidd of the Geological Survey on the silver occurrence. The fact that Eldorado reported its much heralded No. 2 vein as averaging 30 oz. over 4 ft. widths and the fact that its silver production in 1933 was some 22,000 oz. as compared with some 36,000 oz. in 1932, further confirmed the fact that the development and facts known to date did not justify the enthusiastic expectations of the area as a silver producer.

* * *

Government Strategy

NOW that the hubbub over the gold tax has died down, it is interesting to speculate on the motives which actuated the government in first suggesting a flat ten per cent levy on gold production, a suggestion which Ottawa must have known would produce an outcry.

One of the most logical explanations comes from a source close to the cabinet, and states that introduction of the first short-lived proposal was in the nature of a bait, which was avidly swallowed by the mining fraternity. The idea was, according to this report, that the government wished to impose a tax on the 13 big producers, much along the lines of the present one, but knew that to impose such a tax outright would have provoked vehement protests from these companies, who would see the levy as stark discrimination. So some shrewd cabinet minister, runs the tale, suggested that in the initial budget a tax much more provocative of protest should be suggested. The mining world would protest, and the government would appear to accede to their protests, changing the form of tax, and thus getting what they had originally wanted.

Which is, after all, the ultimate aim of all governments.

* * *

Nine Months Respite

SHARP tumbles marked the New York mining markets last week and Toronto, like Jill, came tumbling after. But heavy as were the losses sustained by many issues, observers were not inclined to take the falling off seriously.

Probable cause for the drag, which gold stocks withstood remarkably well, was the mounting evidence that President Roosevelt intends to let inflation work itself out, without legislative promptings. It is reported that he intends to let present legislation stand for another nine months. If, at the end of that time, the desired objective is not reached, another shot of inflation may be injected into U. S. monetary veins. In the meantime, the president plans an extended vacation as soon as congress adjourns.

With much of the recent rise in precious metal stocks based on talk of imminent inflation, it was not surprising that concrete indications of postponement should react as they did.

Basically, however, it must be borne in mind that with waning hopes of an immediate increase in the price of gold, possibility of a drop from $35 an ounce level grows proportionately remote. So that producing mines are assured of the price which has built the current mining boom for some months to come.

In addition to this, experience has shown that as industrial stocks sag, and lose their investment appeal, trading interest invariably swings toward mine stocks, especially gold.

It is these factors which are probably responsible for the firm showing made by most golds, despite the weakness elsewhere.

On the Toronto exchange, McIntyre ended last week at $41.50, the lowest level reached since early in March. Noranda, in the base metal section, held firm for the week, closing at around $39. Teck-Hughes fell off to end the week at a high of $5.95, as compared with a closing high of $6.10 the week before. Hollinger even showed a slight gain at the end of the week, closing at a high of $15.75, compared to a high for the week before of $15.65.

* * *

Higher Copper Price?

GOOD news for the copper industry was contained in the address which F. H. Brownell, chairman of the American Smelting & Refining Co. made at the annual meeting of shareholders held in New York recently. Mr. Brownell, outstanding U. S. copperman predicted that an increase in copper prices would follow imposing by N.R.A. of the industry's code. Reason for this belief was that the code contains a clause compelling all producers to file prices, everyone to receive the weighted average sales price for the month.

All statistics compiled had shown that costs of producing companies exceeded 8½ cents a pound, said Mr. Brownell. Including depreciation and depletion, the cost amounted to ten cents a pound, this expert estimated.

But Mr. Brownell's good auguries didn't end here. He predicted also that silver prices would increase in the near future, and that congress will enact some compromise form of legislation regarding purchase of silver unless President Roosevelt used his influence against it.

QUARTERLY PROFIT OF INT. NICKEL CO. 31 CENTS A SHARE

Steadily Mounting Production and Sales Shown in Report

RECORD SMELTING

Inventory Declines But Consumption Shows Refined Metal Only 27 Per Cent Market

Steadily mounting production and sales of nickel is reflected in the quarterly report of International Nickel Co. of Canada for the three months ended March 31, 1934, which shows net profits of 31 cents per share on the common stock, the highest earnings level reached by the company since the quarter ended December 31, 1930, and comparing with 24 cents per share for the quarter ended December 31, last.

The following tabulation shows comparative earnings for the past two quarterly periods:

	Three Months Ended Mar. 31 1934 $	Dec. 31 1933 $
Earnings	7,463,766	6,526,202
Other income	44,049	52,021
Total income	7,507,815	6,578,223
Admin. & gen. exp.	352,239	323,888
Provision for taxes	768,936	629,769
	1,121,175	953,657
Net operating income	6,386,640	5,624,566
Int. paid & accrued	119,029	117,748
Provision for deprec., depletion & other reserves	1,218,335	1,480,253
	1,337,364	1,598,001
Net profit	5,049,276	4,026,565
Earned surplus beginning of period	22,767,570	19,098,617
Net profit as above	5,049,276	4,026,565
	27,816,846	23,125,182
Dividends, preferred	483,475	483,475
Common	1,457,817	....
	1,941,292	483,475
Earned surplus	25,875,554	22,641,707
Tax adjustment	....	125,863
Balance forward	25,875,554	22,767,570

Earned Surplus up $3,000,000

The total income showed an increase of some $1,000,000 over that of the previous period. After the payment of preferred and common dividends, the latter being resumed with a payment of 10 cents per share on March 31, last, the earned surplus forwarded to the balance sheet showed an increase of approximately $3,000,000.

An equally healthy improvement was showed in the balance sheet dated March 31, last, with an increase in the working capital of some $4,500,000. Total current assets were shown at $45,361,589 and current liabilities at $5,657,179 leaving a net working capital of $39,704,410. Inventories, principally marketable metal stocks, showed a decline of about $1,000,000 to $17,872,375, reflecting the liquidating of these stocks faster than they are being produced.

In connection with primary operations at Copper Cliff, Ontario, it is interesting to note that never in the company's history was production on such an extensive scale, records are being established not only in quantity of ore being treated—now some 200,000 tons per month—while the convertors—the bottle neck of the primary production operations—are working at capacity far beyond their rating.

Triples Previous Month

Total nickel production in March amounted to 10,436,852 pounds, which was more than three times the output of 3,279,230 pounds in the corresponding month last year. Production for the three months ending March totalled 26,973,681 pounds, an increase of 218 per cent as compared with the 7,050,231 pounds produced in the corresponding period last year.

Robert C. Stanley, president of the company, comments in a letter to shareholders that only two categories, representing 27 per cent of the total sales, can be described as wholly devoted to pure nickel products, which refute the rumor that it is the armament requirements that is creating the demand for nickel, since armament nickel is purchased principally in the refined form—not fabricated or in the form of alloys.

The following diversified uses represent the approximate consumption:

Consumption Listings

Alloy steel used in motor cars, trucks and buses, 20 per cent.

Nickel silver and nickel copper alloys for a multitude of uses, 18 per cent.

Pure rolled nickel in the form of rods, strip, wire and tubes, used largely in the radio, in the chemical industries and for coinage, 17 per cent.

Alloy steel, inclusive of stainless steel, used in railroad equipment, farm implements, general machinery and numerous miscellaneous applications, 15 per cent.

Nickel for plating and as undercoat in chromium plating, 10 per cent.

Monel Metal used for many engineering purposes and for household equipment, 9 per cent.

Alloy cast iron—castings of all kinds, 4 per cent.

Miscellaneous uses including magnetic alloys, nickel brasses, nickel bronzes, aluminum alloys and white gold, 4 per cent.

Heat resistant and electrical alloys, 3 per cent.

Total, 100 per cent.

Reno Gold April Output Averages $26.50 Per Ton

April production by Reno Gold Mines, premier producer in the Sheep Creek area of British Columbia, was valued at $38,200 from 1,435 tons of ore treated. This is an average recovery of $26.50 per ton and an average milling rate of 48 tons daily.

The lower tonnage is reported as due to interruption in milling caused by a breakdown.

The following is a tabulation of production for 1934:

	Production value	Tons milled
January	$37,501	2,402
March	31,321	....
April	38,200	1,435

Lake Shore's "Little Acorn"

Fiscal year of Lake Shore Gold Mines, ending June 30, will reveal the highest production and most profitable year in the history of the 16-year-old mine. Above is shown the nucleus from which this mine sprang. Taken in 1913, it shows the first building in the Lake Shore area, on the sight of the present mine. The gentleman leaning against the post is none other than Harry Oakes, who first acquired the properties and is now president of the company.

Lakeland Revelations Shock to Shareholders

Find President Has Mortgage on Property to "Protect Salary," Etc.—Sale of 69-cent Shares Nets Treasury 12½ Cents

The complacent convening of the annual meeting of shareholders of Lakeland Gold Mines, held in Hamilton last week, evolved into a bombardment of queries that F. A. Pollard, president of the company, found so embarrassing that nothing short of an airing before the Ontario Securities Commissioner will satisfy investors in his enterprise.

The announced plan to ask shareholders to increase the capitalization from 4,000,000 shares to 5,000,000 shares was sidetracked when Rotham and Hertzberger, the New York fiscal agents, pleaded that it be deferred for the time being, which shareholders took to mean as an effort to gain time that the present financing programme might proceed without the disrupting effect of a capital increase. It is understood that the remaining options net the treasury about 15 cents per share, while the market is presently around 10 cents per share, having fallen from a high of 23 cents earlier in the year and a high of 69 cents per share in 1931 when the offering was first made.

Treasury Gets 12½ Cents

An interesting phase of the financing is that while investors paid up to 69 cents per share for the stock, the average net proceeds to the treasury were about 12½ cents, the difference going to the financial sponsors.

Faced with current liabilities of $31,545 and with current assets of but $14,191 including notes receivable carried at $6,286 as at December 16 last the company is threatened with a reorganization and refinancing or loss of the property since only 267,267 shares of the 4,000,000 authorized remain unissued. Shareholders were shocked to learn that F. A. Pollard, the vendor of the property, now holds a mortgage on the property as security for some $22,000, which he claims as salary as president and for advances of one kind or another. The audited statement as at December 16, 1933, showed Pollard claiming salary of $3,852 and loans, the details of which were not disclosed, of $11,740. In a supplementary statement, dated April 30, 1934, auditor J. J. Conway showed these loans had increased to about $22,000, but not until closely questioned did he disclose that since December 16 last, Pollard had protected his loans by securing a mortgage on the company's property.

The fact that a mortgage existed on the property while stock selling was proceeding was not disclosed to the Ontario Security Commissioner or the Toronto Stock Exchange, where such important changes in the company's affairs are required to be disclosed.

Under questioning Pollard claimed that the by-laws of the company permitted the directors placing a mortgage on the property without a vote of shareholders.

In the supplementary balance sheet, as at April 30 last, auditor Conway set up a trust account, earmarked Warne & Lockheed, of some $8,000, representing shares donated by generous minded shareholders for the benefit of the company. It developed that investors thinking they were replenishing the coffers of the treasury were actually buying shares of one Mrs. Kerr and that the treasury received none of these subscriptions, also that Pollard figured in this transaction.

Pollard is Vendor

The balance sheet shows that F. A. Pollard and Oscar Knutson were the optionees of the property from Gideon Grant and that they received 1,500,000 treasury shares for their interest, also that $50,000 is still due on the property to be paid for out of operating profits.

C. B. Morgan, the present mine manager, gave a report to shareholders recommending that mill construction, which had had so much publicity, be deferred until the ore position was more satisfactory. Mr. Morgan estimated that it would take $250,000 to bring the property into production if the development programme he outlined was productive of ore. Of this amount he required $75,000 for development, $25,000 for a bond required by the Hydro-Electric Power Commission for a power connection and $150,000 for mill construction.

Position Precarious

With $5.38 cash in the bank on December 16 last and with current liabilities well in excess of current assets and a mortgage on the property, shareholders have come to realize that their company is in a precarious position and that unless the financial situation is cleared they are faced with a complete loss of their investments.

MAY PROBE AFFAIRS OF MONALTA OIL CO.

Official Receiver Declares Concern Has Been Insolvent Since 1926

Advice from Calgary states that the affairs of the Monalta Oil Co. are to be investigated under the recommendation of the report of B. R. Jones, official receiver.

Mr. Jones found that the company had actually been insolvent since 1926 and suggests that the directors of the company, elected in 1933, including B. C. McMillen, A. A. Hunter, F. E. Spooner and Magistrate W. S. Davidson be examined to ascertain why they permitted certain transactions in view of the financial position of the company.

Magistrate Davidson was secretary of the company and receiver Jones has asked for an accounting of $30,000 received from the sale of 155,000 shares of Monalta stock, which had been disbursed on behalf of the company.

The Superintendent of Bankruptcy in Ottawa is being forwarded a copy of the report.

Duparquet, Idle Since 1932, Plans New Development

A programme of intensive development work, including a geological survey, and diamond drilling, has been announced by Duparquet Mining Co. for its holdings, consisting of 1,037 acres in Duparquet Twp., Quebec.

This work will break a period of inactivity at the mine since May, 1932. Prior to this time about $100,000 had been spent on the property, and a shaft had been sunk to a depth of 190 ft. Over 1,500 ft. of lateral work has been done.

The contract for the geological survey has been let to Minefinders Ltd. The diamond drilling contract will be let in the near future, it is stated.

The company claims that financial arrangement sufficient to execute the present programme and, if possible, to bring the mine into production, have been arranged.

Simultaneously, a change in the board of directors was announced. The board now consists of Col. James Cooper, pres. Hon. Athanase David, E. Dussault, James McWilliam, and S. Astrof, the latter replacing Dr. Laporte.

MOSHER LONG LAC SOLD VIA COUNTER

Shares of New Company Traded in at About 27 Cents Bid

Over the counter trading has already started on an if, as and when basis for the shares of the new Mosher Long Lac Gold Mines, incorporated with an Ontario charter last month. The new company has an authorized capitalization of $3,000,000 in $1 par value shares. An initial offering was over-subscribed among friends of company officials. Already shares are being traded in at around 27 cents.

The new company has a group of 22 claims adjoining the Little Long Lac Gold Mines on the south and the McLeod Cockshutt Gold Mines on the west. Interest centres in a 700-ft. shear zone which has been explored by test pits, all of which showed free gold and from which gold was panned. Only surface work has been done to date, but for the past six weeks a crew has been busy on a more intensive programme of development with diamond drilling planned for this summer.

The new company is headed by C. H. Moore of Cobalt as president, W. H. Connell, Spencerville, Ont., vice-president, Alan Cockeram, sec.-treas. The other directors are A. B. Mortimer, of Toronto, and A. C. Mosher, of Cobalt.

Ashley Gold Mines Reports Important Ore Discovery

Ashley Gold Mining Corp. has made an important discovery at its property in the Matachewan district, according to J. P. Watson, president, in surface trenching some 1,000 ft. north of the most northerly workings. The new find is reported to have been made on the line of strike of the original Ashley vein, but whether it is a continuation of this vein or a new one, remains to be proved. Complete details are not yet available.

Index to Mining Stocks

The weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 127.8 for the week ending May 10, as compared with 130.2 for the previous week.

Nineteen gold stocks fell from 124.5 to 122.6, and four base metals stocks from 157.1 to 152.9.

NEW SNAG STRUCK BY ORO GRANDE CO. SELL MORE STOCK

Fail to Explain Why New Mill Fails to Treat Promised Ore

Another financial snag has been struck by Oro Grande Development Co. that necessitates the reorganization to provide more shares for sale to the public.

Last February The Financial Post announced that a new deal was pending with the Jendow Holding Corp. of New York. This it will be remembered is the same company that took up an option on 500,000 treasury shares to net the company $50,000. Through the Foundation Securities of Toronto and amid such publicity under the sponsorship of the "Old Prospector" the shares sold freely in Toronto at $1 each. It developed, however, according to officials, that only 65,000 shares were disposed of, leaving 435,000 shares available for the new deal announced last February. Whether or not these 435,000 shares were not sufficient for the hungry investing public or whether they preferred a better stock of treasury shares before inviting the public again to participate, has not been disclosed.

Mill Premature?

One matter that is yet to be explained is why the 75-ton mill started early in the year has not been able to grind out the rich ore so freely spoken of in the radio publicity early in the year.

Douglas G. H. Wright, consulting mining engineer and geologist at Toronto, made a report to the company in February, and following this report the milling was suspended giving the inference that another premature mill had been constructed.

No public accounting has been given to shareholders of the previous option arrangement or why a reorganization is so desirable when 435,000 shares remained in the treasury. After the promotional orgy last January the activities of Foundation Securities were brought to a halt by the Ontario Securities Commissioner.

At a meeting to be held on May 15 it is proposed that a new company with a capitalization of 3,000,000 shares of no par value will be formed, taking over the present one in consideration of 1,000,000 shares.

The financial statement as at January 31 last shows cash on hand of $724 and metal in transit and process of $4,289. Current liabilities are shown at $32,967, comprising payments due on property, $14,130 and accounts of $11,643. At that time approximately 1,444,100 shares were outstanding out of the 2,000,000 share capitalization.

PARKHILL TRYING TO PROTECT VEIN

Acquires Group to South and East But Fails at Other Points

Following the development of a new north-south vein at right angles to the main vein system, Parkhill Gold Mines has acquired a group of claims to the south and east, but has not yet been successful in acquiring the single claim cornering on its property and that of the Michipicoten Gold Mines.

The new vein is stated to have been traced for a length of 550 ft. and on the seventh level to have been proved for a length of 300 ft. in ore. An unconfirmed report says that for 200 ft. it showed a width of six ft. and showed an average assay of $30 in gold, with gold at current value. On the eighth level the vein is said to be still in ore over a length of nearly 250 ft. This is regarded the most important ore showing that has developed at the property since production was started in July, 1931.

Trade Roach Long Lac "If, As and When" Basis

The Little Long Lac area is proving one of the most popular sections in Ontario for exploration and the companies formed are experiencing little difficulty in obtaining funds for development. Roach Long Lac Gold Mines recently formed had its initial offering over-subscribed at ten cents per share.

This company is headed by John Rae, well known Toronto mining man. Other directors are T. Roach, Peter Graham, of New Liskeard; Carl Higsby, of Detroit, and Lawrence B. Wright, of Toronto. The latter will act as geologist for the company and supervise development.

Little work has been done but a crew of 12 men are being sent to the property comprising 59 claims at Little Long Lac, Ontario, to conduct an extensive surface programme which includes surveying the claims, trenching and sinking some shallow test pits in order to prepare the property for a larger programme which is planned to include diamond drilling.

The company is capitalized at $2,500,000 in $1 par value shares, of which 1,000,000 shares were issued for properties.

The certificates are to be issued in a few days, but already shares are being traded in over the counter on an if, as and when basis, at around 15 cents per share.

Canam Metals Here Again Only This Time It's Gold

The name of Canam Metals again crops into Canadian mining operations with the report that the company has started work on the Golden Horn group of claims in the Central Manitoba area. Shareholders have not yet forgotten the promotional activities of Clement K. Quinn of Duluth, Minn., president of the company, when he invaded Canada with his Canam Metals in 1928 with a grandiose scheme planned to consolidate a group of lead properties in the Tri-State area with a sweetener by way of some claims in Ontario. As a restorative to his fast fading promotion a dividend of two cents per share was declared in January, 1930, but the patience was so far gone that the assets passed over to Amex Mining Co., having a Delaware charter and sponsored by Quinn. Since then the transitions of assets have been difficult to follow until Canam Metals bobs up with a gold property, now that interest centres in gold. Joseph Errington in Toronto and A. J. McComber of Port Arthur were the only two Canadians appearing on the old Canam Metals board. The new directors are unknown.

"NEW DEAL" GIVEN TO SHAWKEY GOLD QUEBEC'S PIONEER

Toronto Group Take Over First Gold Producer of Province

Quebec's first gold producer in the northwestern area, now the centre of activity, is getting a belated but justified chance to prove its worth in the hands of a well known Toronto group now directing its affairs.

Shawkey Gold Mining Co., incorporated in March of this year, with a capitalization of 3,500,000 shares, has acquired the property of the Shawkey Gold Mines incorporated in 1932 and several adjoining claims in consideration of 1,500,000 vendor shares, which are pooled for 18 months.

The property, first known as the Martin Mines, dates back to 1912 when it was staked by prospector La Palm. In 1918 deep development work was started simultaneously with the construction of a ten stamp mill, constructed by a group unfamiliar with mill design and practice. From the rich surface showing and from the ore taken from the shaft a small brick, and one only, was produced from the mill before financial difficulties overtook the company and the property was finally sold by the sheriff about ten years ago to John Dalton of South Porcupine, the vendor to the old Shawkey Gold Mines.

Is Given New Deal

Here again financial difficulties overtook the company which lasted until Joseph McDonough, vice-president of the new company, and well known mining man, undertook to pilot the reorganization and give it its long overdue test. Already some $40,000 has been provided and a crew has been sent to the property, adjacent to Siscoe Gold Mines, whose general manager, C. O. Stee, will also act as consulting engineer for Shawkey and direct its operations. Oscar Johnson, formerly of Lake Shore, will be mine superintendent.

The consolidated property now comprises some 500 acres and lies about one-and-a-quarter miles south of Siscoe Gold Mines. A two-compartment shaft has been sunk to a depth of 325 ft. and some 600 ft. of lateral work done on the three levels established. Surface exploration over a length of 700 ft. yielded assays averaging $12 per ton, with gold at normal value, while 100 ft. of drifting on the vein on the 125 ft. level showed an average width of 11 ft., with 12,500 tons of ore estimated above this level. The east face of the crosscut of the vein assays $19.40 over five ft., and $6.80 over six ft., according to J. E. MacAllister, superintendent of the McIntyre-Porcupine Mines, who examined the property.

The proximity to the Siscoe Gold Mines, which is giving such a good account of itself and the fact that the property has never had an adequate or technically directed programme of development, arouses hope that with the present price of gold Quebec's first gold producer may yet redeem itself and become a profitable producer.

RICHFIELD CARIBOO CONTINUES TUNNEL

Engineer Finds Ore Development Most "Interesting" Yet

Matthew M. Reese, engineer for Richfield Cariboo Gold Mines, recently visited the property at Bald Mountain, near Barkerville, B.C., and has reported that from the previous face at 1,170 ft. from the portal, the tunnel has been continued a further distance of 230 ft. through quartzite. From 1,400 ft. to the present face at 1,400 the formation has changed to highly mineralized graphitic chist, the engineer reports. These beds of schist are quite flat.

Seams corresponding to the "B" vein strike which appear in the last 40 ft. of schist indicate that they will continue into the sheared zone ahead, as offshoots from the sheared zone, Reese states. This seamy condition, accompanied by mineralization, he considers the most interesting stage in the development so far.

JESSIE GOLD MINES TO BE RE-FINANCED

May Open Up New Gold Area in Western Province

With the announcement that Jessie Gold Mines, owning six claims on Hudson Bay Mountain, B.C., is to be launched on a development programme financed by a public offering, a new gold area in British Columbia will be born. Jessie Gold Mines will operate near Smithers, which is 236 miles east from Prince Rupert.

According to the official report of the Department of Mines, three intersecting replacement fractures in the immediate vicinity of an intrusion of diorite were opened up by surface workings, and showed promising mineralization.

Tunnelling work, financed almost entirely by the capital subscribed by residents of Smithers, has located at depth all three of the veins showing on the surface of the property, it is stated.

The present offering of 100,000 treasury shares at 25 cents each is for the purpose of completing the present tunnel and driving another one at a lower level.

Native Son Mine Merged With Bridge River Ogden

Over the signature of Rae B. Gordon, secretary of Bridge River Ogden (1934) Ltd., notice is given of the incorporation of the company under a B. C. charter dated April 19, 1934, for the purpose of amalgamating the properties of Native Son Mines and Bridge River Ogden Mines. For financing purposes 300,000 shares have been offered for sale, 100,000 at 20 cents and 200,000 at 25 cents.

Siscoe Gold Pays Dividend Plus a Bonus of One Cent

The regular quarterly dividend of three cents per share, plus a bonus of one cent per share has been declared payable by directors of Siscoe Gold Mines on June 30 to shareholders of record June 15 next.

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Siscoe Starts Drilling To Find Depth of Vein

From Our Own Correspondent

AMOS, QUE.—Siscoe Gold Mines has started a drilling programme, the first hole being put down in the greenstones 600 ft. south of the western ore zone for the purpose of prospecting for the downward extension of vein exposures on the surface. An 18-in. quartz intersection has already been cut. This hole is being put down to the northwest at an angle of 45 degrees. Considerable importance attaches to this development and as all Siscoe's ore has been found in the granodiorite to date the possibilities of the present drilling are intriguing in view of the excellent chance of duplicating ore conditions in the greenstones. Should success attend the efforts Siscoe's territory would be enlarged and the outlook much enhanced.

RICHSTRIKE FINDS SPECTACULAR ORE WIDE AREA STAKED

Report 2-ft. Vein Assays $374 in Gold Across Entire Width

From Our Own Correspondent

VICTORIA.—What is considered to be one of the most important gold developments in the Bridge River area during recent months is the encountering of spectacularly high grade ore by the Richstrike Gold Mines on its Nosebag Mountain property, causing a rush of staking in that area. It is reported that the entire section between Richstrike and Pioneer some 15 miles west is completely taken up.

The strike, made a short time ago, disclosed a two feet vein, which assayed $374 in gold across its entire width at $20.67 gold. The vein was uncovered in the main development tunnel at a distance of 445 ft. from the portal. This tunnel was being driven to locate at depth a surface showing which averaged five ft. and assayed well.

Widens Gold Bell

The tunnel, which is now being continued to reach its objective at approximately 600 ft. from the portal, is reported to be continually running through other small stringers all carrying some values in gold.

The significance of the strike, according to engineers, is the fact that it definitely establishes the existence of the Bridge River gold belt for another fifteen miles in an easterly direction, enlarging the entire field tremendously. Other developments are reported to be making ready to start operations in this hitherto unexplored territory during the coming summer.

The Richstrike Gold Mines, which is completely financed, also controls large placer leases in Trinity County, California, where washing operations have already commenced, according to an announcement by Emil Schnee, managing director of the company.

NEW LIFE STIRRING IN SLOCAN DISTRICT

Grand Forks and Greenwood See Wave of Renewed Prospecting

From Our Own Correspondent

NELSON. — Reawakening of the Slocan silver-lead-zinc territory under the prospect of rising silver and base metal prices is being predicted in western mining circles.

Simultaneously Grand Forks and Greenwood mining area are experiencing a wave of prospecting activity not felt in that area for years. Staking of claims has been continuing along a 100-mile front, from Paulson and Burnt Basin, 40 miles east of Grand Forks, to Beaverdell, 50 miles west of Greenwood.

Following diamond drilling on the property of Noble Five Mines, at Cody, in the Slocan area, Paul Lincoln, president of the company, announced it was planned to operate the property shortly on a milling and shipping basis. Diamond drilling was started May 1 by Boyle Bros., of Vancouver. It is stated that the Deadman ore body beyond the fault on the 1,800-ft. level has been located. The cores show an average width of nine ft. of good grade milling ore.

EXPECT NEW MILL AT CADILLAC MINE TO START BY JULY

Blame Delay on Spring Roads — Machinery Expected June 10

Production by July is promised from the 150-ton mill in the process of construction at the Thompson-Cadillac Mines, according to a progress report from E. S. Turner, general manager. Electric power from the Northern Quebec Power Co. is now available and part of the electric equipment has been delivered and installed.

Due to inability to transfer heavy equipment over the spring roads operations have been retarded, but it is expected that all machinery will be delivered by June 10. Underground development is to proceed on the west drift on the 300 ft. level to connect with the high grade section located in the No. 2 shaft. The east drift will be driven at the same time to the boundary of the Cadillac-O'Brien property, while the 600 ft. horizon will be opened up for stoping. The grade of ore is difficult to estimate, according to Mr. Turner, but the bulk sampling is the best indication. Previous work showed $12 per ton in gold with gold at $20.00 per ounce and it is expected that some sections of the mine will produce much better grade. The average milling rate is expected to be between $10 and $12 per ton on the basis of 150 tons daily. Mr. Turner believes that this grade can be maintained over a period of two years from the present ore indications.

Movements of Mining Men

George A. Clothier, B.A.Sc., formerly with the B. C. department of mines as resident engineer has been appointed as consulting engineer for Hercules Consolidated Mining, Smelting & Power Corp. which has big holdings at Phillips Arm, B.C.

L. F. Kindle, Ph.D., has ended his connection with Four Nations Consolidated Gold Mines, and has been appointed engineer in charge of Sun Ray Gold Syndicate holdings. J. F. R. Akehurst is replacing Mr. Kindle as Four Nations Engineer, having recently left the staff of Sylvanite Mines.

Andre Dorfman, prominent Toronto mining man, has sailed on the Ile de France for England and the continent.

W. R. G. Holt has resigned as a director of Quebec Gold Mining Corp. No reason for his withdrawal has been announced.

Robert A. Bryce, president of Macassa Mines, is sailing on May 24 on the Duchess of York from Montreal, for an extended holiday in England.

John A. Reid, B.Sc., returned this week after a winter spent in the Canal Zone in a professional capacity for the Connell Mining & Exploration Co.

Robert Cockeram, president of Prospectors Airways Co., has returned home after seven months trip around the world, during which he spent considerable time in the Far East.

C. L. Coleman, B.Sc., has joined the engineering staff of the Connell Mining & Exploration Co. at Toronto. Mr. Coleman recently moved from Montreal and for the last five years has been in Africa with some of the large producers in Northern Rhodesia.

Theodore Kipp, a director of God's Lake Gold Mines, is on a business trip to Toronto.

Sir Stephen Lennard, well known Vancouver broker, was in Toronto recently conferring with Toronto mining men respecting financing mining issues in which he is interested.

Allan Cockeram, Toronto mining man, plans an extended holiday in England in a few weeks, and his family is leaving next month to be joined later by Mr. Cockeram.

Ira B. Joralemon has been appointed consulting geologist for Cariboo Gold Quartz. Mr. Joralemon has acted in similar capacity for such mines as Bralorne, Bradium and B. R. X. Gold Mines.

Robert C. Stanley, president of International Nickel Co. who has been spending the past few weeks in Great Britain in the interests of his company's European activities, is sailing for home, and is to arrive at New York on May 24.

"THE NEW GOLD TAX —Its Effects"

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END IS FORETOLD INDEPENDENT OILS IN SASKATCHEWAN

Cancellation of Through Crude Freight Rates Entails 5c Rise

APPEAL TO BOARD

Railways Claim Old Rate Unprofitable and That Small Refineries Really Import Near Gasoline

C. B. Keenleyside, Regina, manager of the Saskatchewan Independent Group of Oil Companies, is quoted in western newspapers as stating that all independent gasoline refiners will be out of business after June 30, 1934, because crude oil for independents thereafter "will cost them five cents a gallon more than the crude required for Standard Oil subsidiaries."

This results, he says, from the notification given by the Canadian railways to the United States railways comprising the Southwestern Freight Bureau, and the railways comprising the Western trunk lines, that on June 30, 1934, all through freight rates on crude oil to points in Western Canada must be cancelled. Though this seems at first sight to hit independents and large companies alike, Mr. Keenleyside says that it really affects the independents only as the latter can obtain the kind of crude they require only over the lines referred to, and this cancellation closes to them the fields which were their source of supply.

Appeal to Railway Board

It does not affect the large companies, he says, because they own the great oil fields at Seminole and their crude is brought by an individual tariff over the Rock Island railway, along which line the crude is produced, to the roads comprising the Canadian Freight Association and this individual tariff is not being cancelled. The independent oil refineries have therefore appealed to the Board of Railway Commissioners for Canada to hold in abeyance this cancellation and to hear the matter at an early date in Regina.

Mr. Keenleyside charges that a "combine" is fighting the independents because the latter cut the price of gasoline. He claims also that they have a "drag" with the railways because the "combine" pays $40,000,000 yearly in railway freight. This latest move, he says, is a continuance of the old fight which began when the Canadian railways proposed to the United States railways that an extra freight rate of 45 per cent, or 21 cents per cwt. be charged the small plants unless they re-shipped by rail finished products equal to 65 per cent of their inbound tonnage. The United States roads did not consent to do this.

Then, says Mr. Keenleyside, the Canadian roads proposed that the extra freight be charged on crude oil having a gravity of 40 degrees or over. This did not affect the large refineries which can use low-grade crude but did affect the independents. The United States railroads turned down this suggestion also, says Mr. Keenleyside.

Big Companies Not Interested

Officials of large Canadian companies, when asked to comment on Mr. Keenleyside's claims, stated that the matter was one between the railways and the independent companies. They had nothing to do with the matter in any way, shape or form.

The railway companies are understood to explain their moves in connection with freight rates on crude oil as being an effort to protect their revenues. The present rate to Regina had been established in the first place by the railroad companies because they hoped also to get further business in the transportation of finished products to various points of Western Canada. Much of the "so-called" crude oil coming to smaller refineries it is claimed, is not a real crude at all but almost a "gasoline in its natural state" which is distributed locally by the smaller refineries and does not give the railways revenues beyond Regina at all.

The old rate had been made with the idea of transporting a real crude oil, of encouraging the building of a larger refinery to use this crude oil and of having finished products later to distribute through the West in the area tributary to such refineries. Under the conditions of use and distribution brought about by small refineries the rate was a loss to them and they believed that a new rate was just and definitely called for by the existing situation.

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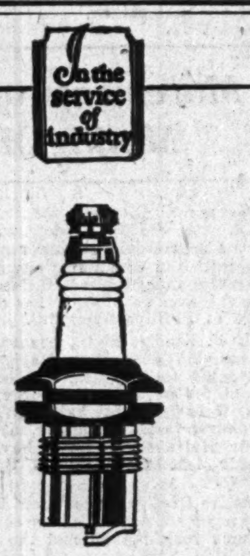

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Ruinous Competition Offers Grave Threat Canada's Coal Industry

Taxation Balances Aid Afforded But Imports Make Going Difficult — Coal Mines Used Greatest Amount of Labor Employed in Mining

By C. M. CAMPBELL,
Mining Engineer

In a strongly protectionist and wide-spread confederation like Canada adjustments will have to be made if the coal mining industry is to weather threatened chaos. It pays about $1,500,000 annually to the provinces in royalties, in addition to taxes of many kinds and is helped in various ways; yet has to face competition from imported fuel oils that pay nothing whatever except a small amount recently levied in British Columbia. Coal mining towns, dependent on the taxation of local companies directly or indirectly for their well being, are in a bad way. Not only have these communities suffered but through them the whole Dominion has suffered.

Sink Hole for Capital

In the House of Commons recently a western member demanded that further handicaps be placed on the importation of British coal into British Columbia. Last year this coal was brought in as ballast, at about one third the regular freight rate, by ships coming to Western ports to take back wheat. We recently read in the papers how, during 1933, coal mined in Canada was produced at an operating loss. W. H. Moore, in his recent volume, says, "The coal mines of Canada, over the years, have been a perfect sink hole for capital."

The next paper we pick up is likely to refer superlatively to the billions of tons of coal in British Columbia, the thousands of billions in the Prairie Provinces, and the billions in Nova Scotia. Every Canadian is brought up with the idea that Canada has the world's second largest coal reserve.

The statements are inconsistent. It is difficult to understand why an industry that has huge reserves should ask for help.

British Competition Not Serious

British coal competition, however, cannot be considered sufficiently serious to warrant action. In comparison with Vancouver Island coal, the chief local coal marketed, its low ash is nearly offset by its higher moisture while the excessive breakage on the long trip puts it under a severe handicap. Admitting that the ballast rate to Vancouver averages about $1.75 per ton, and is ridiculously low, it is also true that the scow rate from the Island mines is only 50 cents per ton. Add the 75 cents duty and there is a differential in favor of Island coal of $2 per ton. The Island coal is able therefore, without special effort, to undersell the British coal by an appreciable margin. Under the circumstances and in view of the fact that there is a large export business in wheat, lumber, fruit, and canned fish to the Old Country, the idea that we further penalize the importation of British coal does not meet with much sympathy.

Further, even if the importation were prohibited it would not solve the difficulty. The drop in Island coal production during 1933 was 148,000 tons, while the importation of British coal, an appreciable part of which was on hand at the end of the year, amounted to only 22,500 tons—a small part of the total.

Using Less Coal

The depression, oil competition, better methods of burning coal, the use of natural gas in Alberta, the increased use of electrical equipment, and unprecedented mild weather in the area west of Winnipeg during the past season, have all united to reduce the amount of coal used. Idle men have gone into the nearby bush for their own supplies of fuel and from that it is only a step to the production of cord wood for sale, often at cut prices, and the amount of this type of fuel that has been used across Canada in recent years has been enormous. Saw mills also are now built without the offensive burner and during the worst stages of the depression the revenue from inside fir, slabs, edgings, kindling, hogged fuel, and sawdust has been an important revenue item to the mills. In some cases inferior logs have even been cut for fuel. There are about 7,500 sawdust burners in operation in Vancouver and about 1,500 of these were installed during the past year. Vancouver is rapidly becoming a sawdust town. There may be an occasional shortage of sawdust. With improving conditions there is no indication of a return to former wasteful conditions. This, though hard on the coal business, is to the ultimate good.

Subventions Costly

To aid the coal industry Canadians are taxed according to the following table which shows the amounts paid in subventions during the calendar year 1933:

British Columbia, export and bunker	$ 26,932.00
Alberta to Ontario	91,011.11
Alberta to Manitoba	288,263.92
Saskatchewan to Manitoba	54,085.12
Nova Scotia	1,476,951.60
New Brunswick	980.78
	$1,938,224.53

In addition to this, all-Canadian coal used in the manufacture of coke for iron smelting purposes received a bounty of 49½ cents per ton. Canadians also pay a duty on imported coal and this, for the fiscal year ended March 31, 1933, amounted to $6,358,354, to which should be added a further duty on coke of $548,101. All this should not be charged against the coal industry for the transportation companies and the Dominion revenues also shared the benefits.

What is the Trouble?

The question naturally arises: Why should Canadians be taxed millions to maintain an industry when we possess such enormous resources as are reported? What is the trouble?

The trouble is that the statements of vast coal wealth are grossly false. Coal is so scarce and mining is so costly in both Vancouver Island and Nova Scotia that it is placed on the market at a figure so high that every other fuel has a chance to compete. Our coal industry has not been profitable on the Atlantic or Pacific coasts, except in the early days when cheaply mined coal was available near the surface. In Alberta it has been shown that the story about that province containing one-seventh of the coal resources of the world is absurd. There is, however, a tonnage so large that depletion is not of immediate importance. Due, however, to the lack of production control, the Alberta industry as a whole, has not been profitable.

Troubles Widespread

These troubles are not confined to any one province and this situation cannot be blamed altogether on the industry. Recently in British Columbia an important producer shut down. It was found that it had not made the agreed payments to the owner. It was months behind in payment of royalties and workmen's compensation. During its last two months operation it had not paid the men. It closed at the end of the coal season owing also the bank and the tradespeople. Operations of this sort, however, and other unnecessary ones are encouraged by Canadian governments because they take men off relief. The point is overlooked that for every man that goes on a job of this sort another man is dropped from a legitimate operation. Similar practices prevail in cities where coal pedlars get by with practices that are often questionable and are seldom even asked to pay their license fee.

The benefits from Confederation are not questioned and to obtain these there are few sections that have not made sacrifices for the general good. In no place has this been greater per capita than in British Columbia. Eastern Canada takes few of our products yet we pay Eastern Canadians millions more for one item, automobiles, than we would if we lived a few miles to the south. We pay our share of the deficits of eastern railways and canals yet the Chinese importer gets a cheaper rate on Alberta grain than the ranchers in the Fraser valley. In the case of coal it is obvious from the above table that British Columbia mines receive negligible assistance and it is not realized generally that the tariff has been a boomerang. In 1912 sales of British Columbia coal in the United States, chiefly the Spokane and Puget Sound sections, totalled 858,981 tons, or almost forty per cent of the entire tonnage sold. With the imposition of a tariff on American coal to aid Nova Scotia, Americans placed a tariff on Canadian coal and the British Columbia export business was practically wiped out. British Columbia mines are entitled to consideration that they have never received.

Hydrogenation Offers Hope

One ray of sunshine, however, penetrates the gloom. There is a phase about which there will be no controversy yet in regard to which Canadians are in almost complete ignorance—the hydrogenation of coal. By treating coal with hydrogen at a temperature of 450 degrees C. and at a pressure of 200 atmospheres it is possible to convert a large proportion of the coal substance into liquid fuels. In 1931 the British Department of Scientific and Industrial Research stated that, "The latest results show that it should be possible to obtain a minimum of 120 gallons of light spirit per ton of coal together with some heavier oils." The bearing of this process on the situation in England would be, as stated, "to make that country independent of foreign petroleum, restore coal production to normal, and provide work for more than 250,000 miners so far doomed to the dole." The matter has not stopped there. The process has been such a success that in 1932 Imperial Chemical Industries, with the help of a Government bonus of four pence a gallon on gasoline started a plant to have an annual initial output of 100,000 tons of gasoline. This plant is completed and motor fuel produced is now on the market.

Many Benefits Seen

The benefit of an operation of this sort in the Dominion would be proportionately great. It would eliminate the importation of much of that $60,000,000 bill for petroleum and place idle coal mines on a 12-month capacity operation basis. Coal mining would cease to be a seasonal industry and with continuous operation very important economies could be introduced.

The present status of the process in Canada is that tests have been made with Alberta coal and it has been found that "all low grade coals, up to and including bituminous coal, are fairly easily hydrogenated." Official information from Ottawa is also to the effect that "Canadian Industries, which is a subsidiary of Imperial Chemical Industries, has made a pretty thorough study of the matter but no developments of this kind will be undertaken until the successful operation of the plant now under construction in England has been demonstrated."

In view of the magnitude of the interests involved, the very critical condition of the Canadian coal industry, the encouraging results obtained in England, the admitted fact that Alberta coals, at least, are "fairly easily hydrogenated," and our huge unemployment it is obvious that anything that can be done by governmental or commercial interests to speed up the establishment of this or any similar process in Canada will have far-reaching beneficial effects.

Mining Boom Produces Host of New Companies

Formed

Ace Exploration & Holding Co.—Incorp. Ont. March 21; H. O. Toronto; Capit. author. $100,000, par $10.

Algold Mines Ltd.—Incorp. Ont., Feb. 13, 1934; H. O. Toronto; capit. author. 2,500,000 shs., n.p.v.

Alloys Ltd.—Dom. Incorp. April 17; H.O. Toronto; Capt. author. 100,000 shs. of n.p.v.

Anderson Lake Gold Mines—B. C. Incorp. April; H. O. Vancouver; Capit. author. $1,250,000.

Argonaut Gold Mines—B. C. Incorp. April; H. O. Vancouver; Capit. author. 2,000,000 shs. n.p.v.

Armac Silver Lead Mines—B. C. Incorp.; H. O. Vancouver; Restored to register.

Atlin Gold Mines Ltd.—Incorp. B.C.; H.O. 102 Pacific Bldg., Vancouver; Capit. author. $400,000.

Belmore Syndicate Ltd. — Incorp. Ont. April 3, 1934; H.O. Toronto; capit. author., $75,000, par n.p.v.

Bidlamaque Gold Mines Ltd.—Incorp. March, to take over properties and assets of Bidlamaque Gold Syndicate, on basis of 250 shares in the new company for each unit held; Capit. Author. 3,000,000 shs.

Bonanza Cache Gold Mines Ltd.—B. C. Incorp.; H. O. Vancouver; capit. $2,500,000, par 50 cents.

Brennan & Kenty Bros. Prospecting Co. Ltd.—Incorp. Ont., Feb. 20, 1934; H. O. Toronto; capit. $1,000,000, par $1.

Burns Basin Gold Mines—B. C. Incorp. April; H. O. Vancouver; Capit. author. 2,000,000 shs. n.p.v.

Canador Mining Ltd.—Incorp. Ont. March 17; H. O. Toronto; Capit. author. $40,000, par $100.

Carmi Gold Mines, Ltd.—Incorp. B.C.; H. O. 510 West Hastings St., Vancouver; Capit. author. $1,000,000.

Chilco Exploration Ltd.—Incorp. B.C.; H. O. 918 Rogers Bldg., Vancouver; capit. author. 30,000 shs. of n.p.v.

Combart Mining & Dev. Co.—Que. Incorp. March 21; H. O. Montreal; Capit. author. $3,000,000, par $1.

Commerce Creek Oil Co.—B. C. Incorp. April; H. O. Vancouver; Capit. author. $20,000.

Coughlan Gold Mines Ltd.—Dom. Incorp. April 10; H.O. Calgary; Capit. author. $500,000 n.p.v.

Dibble Mines Ltd.—Dom. Incorp. April 16; H.O. Calgary; Capit. author. 3,000,000 shs. of n.p.v.

Elgin Gold Mines Ltd.—Incorp. B.C.; H. O. 611 Metropolitan Bldg., Vancouver; capit. author. 2,000,000 shs. n.p.v.

Gale Gold Mines Ltd., Ont. Incorp. April 3; H.O. North Bay; Capit. Author. $3,000,000, par $1.

Glover Gold Mines Ltd.—Dom. Incorp. March 29, 1934; Winnipeg, Capit. author. 3,000,000 shs. of n.p.v.

Goderich Matachewan Gold Mines Ltd.—Ont. Incorp. April 3; Capit. author. $3,000,000, par $1.

Gold Run Exploration Co. Ltd.—Incorp., B. C.; H. O. 509 Union Bldg., Victoria; Capit. author. $100,000.

Gold Valley Mines Ltd. — Incorp. Ont. March 23, 1934; H.O. Toronto; capit. author. $5,000,000, par $1.

Gun Creek Metals Exploration Co. Ltd.—Incorp. B.C.; H. O. 725 Pacific Bldg., Vancouver; Capit. author. $10,000.

Hants Gold Mines Ltd.—Dom. Incorp. April 5; H.O. Halifax; Capit. author. pref. $100,000, par $10; common, 2,500,000 shs. of n.p.v.

Hatton Gold Mills & Process Ltd.—Incorp. B. C.; H. O. 1404 Standard Bank Bldg., Vancouver; Capit. author. $150,000.

Hixon Mother Lode, Ltd.—Incorp. B.C.; H. O. 603 Pacific Coast Bldg., Vancouver; capit. author. $1,500,000.

Hochelaga Mines Development—Dom. Incorp. April 9; H. O. Montreal; Capit. Author. 1,000 shs. of n.p.v.

Hottah Lake Mines Ltd.—Dom. Incorp. April 24; H. O. Toronto; Capit. author. 3,000,000 shs. n.p.v.

Hudson Patricia Gold Mines Ltd.—Incorp. authorized by shareholders of Metals Development, to take over properties at Woman's Lake. H. O. Montreal; capit. 2,500,000 shs., 1,100,000 shs. issued to Metals Development for properties.

Inca Mining Corp.—Dom. Incorp. March 26; H. O. Windsor; Capit. author., common, 280,000 shs. of n.p.v. and pref. 6% cum. 70,000, par $1.

Keithley Creek Placers—B. C. Incorp. April; H. O. Vancouver; Capit. author. $20,000 n.p.v.

Kindale Mines Ltd.—Incorp. Dom. March 22; H. O. Montreal; Capit. author. 12,000 shs. n.p.v.

Kootenay Lardeau Gold & Silver Mines, Ltd.—Incorp. B.C.; H. O. 802 Stock Exchange Bldg., Vancouver. Capit. author. $500,000.

Lake Fortune Gold Mines—Dom. Incorp. April 18; H. O. Montreal; Capit. author. 4,000,000 shs. n.p.v.

Longacre Long Lac Gold Mines—Ont. Incorp. April 3; H.O. Ottawa; Capit. author. $3,000,000 par, $1.

Longlac Adair Mines Ltd.—Incorp. Ont. March 27, 1934; H.O. Toronto; capit. author., $3,000,000, par $1.

Lucy Kirkland Gold Mines—Ont. Incorp. April 16; H.O. Toronto; Capit. author. $3,000,000 par, $1.

Magnet Lake Gold Mines Ltd.—Incorp. Ont. March 26, 1934; H.O. Toronto; capit. author., $3,000,000, par $1.

Manley Gold Mines—Ont. Incorp. April 7; H. O. Toronto; Capit. author. $3,500,000, par $1.

Mac-Auer Gold Mines Ltd.—Incorp. Dom. March 21; H. O. Montreal, Capit. author. 50,000 shs. of n.p.v.

Michipicoten Gold Mines Ltd.—Incorp. Ont. March 19; H. O. Toronto; Capit. author. $2,500,000, par $1.

Mine Seekers & Developers Ltd.—Incorp. Ont. March 15, 1934; H.O. Toronto; capit. author., $500,000, par $10.

Monetary Metals Ltd.—Incorp. Ont. March 20; H. O. Toronto; Capit. author. $1,000,000 par, $1.

Neville Canadian Gold Mines Ltd.—Incorp. Ont. March 23, H. O. Toronto, Capit. author. 3,000,000 shs. n.p.v.

Nipsonia Mines—Ont. Incorp. April 3; H.O. Toronto; Capit. Author. $3,000,000, par $1.

Novak Gold Mines — Ont. Incorp. April 17; H. O. Toronto; Capit. author. $2,000,000, par $1.

Norco Thompson Mines Ltd. — Incorp. Ont. March 20; H. O. Toronto, Capit. author. $3,000,000, par $1.

Norontic Gold Mines—Ont. Incorp. April 3; H.O. Toronto; Capit. author. $30,000, par $1.

Ontario Clays Ltd.—Incorp. Ont., Feb. 14, 1934; H. O. Oshawa; capit. author. 1,000,000 shs. of n.p.v.

Patricia Birch Lake Mining Corp.—Name changed by S.L.P. to Patricia Birch Lake Gold Mines Ltd.

Perron Gold Mines Ltd. — Incorp. Que., March 22, 1934; H. O. Pascalis, Abitibi Co., Quebec; capit. author. $2,000,000, par $1.

Pilot Gold Mines — B. C. Incorp. April; H. O. Vancouver; Capit. author. 3,000,000 shs. n.p.v.

Prospectors Development Co., Ltd.—Incorp. B.C.; H. O. 921 Rogers Bldg., Vancouver; Capit. author. $50,000.

Quesnel Westminster Mines Ltd.—Incorp. B.C.; H.O. 512 Westminster Trust Bldg., Vancouver; Capit. author, $500,000.

Rupert's Land Gold Syndicate—Ont. Incorp. April 10; H. O. Toronto; Capit. author. $10,000, par $10.

Savona Gold Mines, Ltd.—Incorp. B.C.; H. O. 418 Vancouver Block, Vancouver; capit. author. $1,000,000.

Skagit Gold Mines Ltd.—Incorp. B.C.; H. O. 522 Metropolitan Bldg., Vancouver; capit. author. 100,000 shs. of n.p.v.

South Porcupine Mines Ltd.—Ont. Incorp. March 20; H. O. Toronto; Capit. author. $2,000,000 n.p.v.

South Vermilion Gold Mines Ltd.—Ont. Incorp.; H. O. Toronto; Capit. author. 1,500,000 shs. n.p.v.

Summit Range Gold Mines — Ont. Incorp. April 6; H. O. Toronto; Capit. author. 1,000,000 n.p.v. shs.

Superior Gold Mines Ltd.—Incorp. B.C.; H. O. 220 Pacific Bldg., Vancouver; Capit. author. 3,000,000 shs. n.p.v.

Taylor River Gold Mines—B. C. Incorp. April; H. O. Vancouver; Capit. author. 2,000,000 shs. n.p.v.

Tiblemont Central Gold Mines—Incorp. Ont. April 21; H. O. Toronto; Capit. Author. $3,000,000, par $1.

Trans-Canada Mining Corp.—Ont. Incorp. April 13; H. O. Toronto; Capit. Author. 40,000 shs. of n.p.v.

Valora Gold Exploration Co. Ltd.—Ont. Incorp. April 4; H.O. Toronto; Capit. author. $2,000,000, par $1.

West Red Lake Gold Mines Ltd.—Incorp. Ont. March 26, 1934; H.O. Toronto; capit. author., $3,000,000, par $1.

Charter Surrender

Cooper Gold Mines—Subsidiary of Huronian Mining & Finance Co., incorp. Ont. in 1926, charter surrendered as of April 23, 1934.

Dunkin Gold Mines—Made application May 1, for surrender of Ontario charter.

Diampre Mining & Development Co. of its charter according to the Ontario Gazette.

Meteor Lake Placers, Ltd.—with head office at Ottawa, has applied for surrender of its charter, the Ontario Gazette announces.

Metals Development—At a special meeting to be held in Montreal on May 17, this company will move surrender of its charter. Company's properties recently transferred to Hudson-Patricia.

Sudbury Nickel & Copper Co. Ltd.—Surrendered charter Feb. 15, 1934. A subsidiary of Sudbury Basin Mining Co., shareholders received one share of Falconbridge for 55 shares of Sudbury Nickel & Copper.

United Kirkland Gold Mines Ltd.—Applications made for surrender of charter announced April 11.

Wasapika Consolidated Mines — Made application April 26 for surrender of Ontario charter.

Merged

Babine Silver King Mining Co. Ltd.—H. O. 310 Rogers Bldg., Vancouver, have applied for change of name to Surprise Gold Mine Ltd.

Mid-Tyrrell Gold Ltd. — Name changed by S.L.P., dated April 9, to Mid-Tyrrell Matachewan Gold, Ltd.

Stewart Central Mines Ltd. — of Victoria, B.C., have applied for a change of name to Victor Gold Mines, Ltd.

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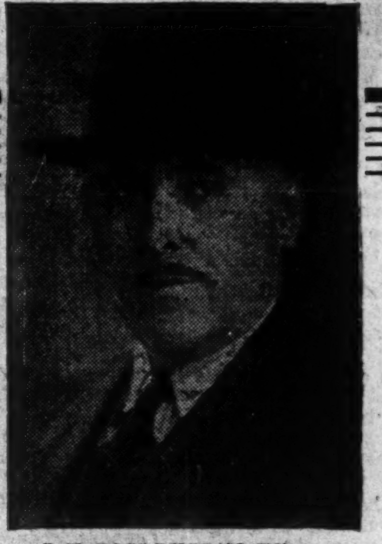

J. K. ROSS-DUGGAN, Editor

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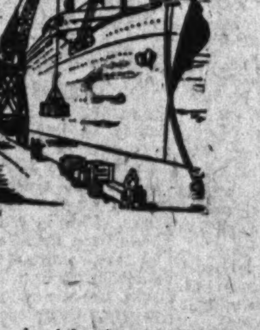

THE Editor again visits United Kingdom and Western European countries in June to advance the export business of Canadian producers and manufacturers.

Advertisers and exporters generally are invited to communicate with the Editor immediately regarding any co-operation which can be extended during this visit abroad.

The visit of a qualified man on the ground can easily straighten out difficulties, help decisions, establish goodwill, facilitate information and generally obtain that result which is only possible by personal contact.

British importers desirous of meeting the Editor may communicate with him at The MacLean Company of Great Britain, Limited, 2 Cockspur St., London S.W. 1, England.

Write to the Editor

CANADIAN TRADE ABROAD
481 University Ave., Toronto, Canada

CANADA'S NATIONAL EXPORT PAPER

Exchange Officials Despair of Breaking Impasse on Options

Toronto Executive Haunted by Fear Dominion Government Will End Deadlock by Enacting Drastic and Impeding Legislation

DR. JEKYLL OR MR. HYDE?

Weeks of Study Fail to Find Outlet for Cul-de-Sac — Problem is Whether Financing by Options is Guardian Angel of Mining Industry or Fertile Field of Operations for Unscrupulous Promoters

Options—guardian angel of Canada's mining industry, or vicious partner of unscrupulous promoters?

Whichever is the correct designation for this Dr. Jekyll and Mr. Hyde of mining, it is known that options are at the moment one of the chief concerns of officers of the Toronto Stock Exchange. For months the executive have been giving the matter the closest study and have now reached the point, The Financial Post is reliably informed, where they are deadlocked, four viewing financing by options as a Dr. Jekyll, and four as a Mr. Hyde.

Fear Government Action

Frequent meetings have failed to break this deadlock, The Financial Post learns, and the executive have become almost despairing of ever reaching a decision. Yet pressing them on to some sort of action is the haunting fear that if Canadian exchanges do not do something very soon to eliminate possibilities of abuse which the option system admittedly contains, the government will take things into its own hands and, taking a cue from the New Deal, enact drastic and impeding legislation, with protection of the public its battle cry.

Not that the executive of the stock exchange are apathetic toward the welfare of the investing public. Each one of them, in conversation with The Financial Post expressed himself as being motivated in this regard solely by the public weal. Yes, they all agreed, the public must come first.

But what they don't agree on is what the public wants.

And impressive are the arguments brought forward by both camps.

Mining Men Approve

Practically without exception, The Financial Post found company heads and mining brokers, in favor of permitting, with reasonable control, the system of financing an issue by means of options.

They point to the number of Canadian mines which could never possibly have come into existence unless their initial development had been financed by granting options to various brokers. For years areas have lain idle, frozen assets of vast potentialities, because no financial group could be found who would be willing to finance the property. Then a group is given an option on a block of shares. A small payment is made, and shares are taken up with a sliding scale option on the balance. Trading starts on the stock exchange, and the price is gradually worked up or sponsored. The sponsor sells his optioned shares, and the difference between the market and his cost is his profit, sometimes a moderate one, and sometimes several hundred per cent.

So Many Hazards

Mining men point to the hazards involved in promoting a mining company. Commissions are limited by the companies acts of most provinces, and in many cases, the maximum commission of 25 per cent would not warrant any financier buying stock outright, as an underwriting. If options were banned, many mining companies would never have been developed. These risks, they state, cannot possibly be compared to those involved in an industrial concern, where the cost of production, the market, etc., are matters which can be fairly well established before the company is launched.

As far as concerns making option agreements available to the public, A. J. Trebilcock, assistant secretary of the Toronto Exchange, told The Financial Post that years ago, the old Standard Exchange had studied the question in conjunction with mining men, brokers and practical miners, and had come to the unanimous conclusion that it was not in the public interest to broadcast the terms of option agreements. For many years before the merger, the Standard Mining Exchange had rigidly controlled these options, however, and had on several occasions de-listed companies guilty of what the executive considered malpractices. Mr. Trebilcock thought two factors were responsible for the present publicity and study being given options. The first was that at the time of the merger, members of the industrial exchange knew practically nothing about financing by options. It was a new thing to them, and consequently they gave it particular study. The second factor was the current boom in mining, which had thrown market activities into the spotlight as never before.

How Investor Can Get Data

At present, the Toronto Exchange demands, when application for listing is received, that the applicant company report fully on all options outstanding, supplying names, amounts, and date when due. This information is available to all members of the exchange. But the members are not in any way pledged to secrecy. Any member of the public may go to his broker, and get the full details of any particular option, stated Mr. Trebilcock. He declined to hazard a guess as to what the exchange officials would do if any stockbroker broadcast, by circular letter, press or radio, the terms of any particular option agreement. Such a thing had never been done, Mr. Trebilcock explained. But the executive of the exchange left the matter entirely to the discretion of the member broker.

Case For Prosecution

So mining men see options as the guardian angel of their industry, and, through their industry, of the investing public. That is the case for the defence.

But what of the case for the prosecution? It is an open secret that, as far as the Executive of the Toronto Exchange is concerned, the prosecution is represented by the four representatives of the Industrial Exchange.

These men, while recognizing the assistance rendered the mining industry by option agreements, feel that the attendant abuses far outweigh any service which options might render.

Such an abuse recently came to the notice of exchange officials. And the vicious part of the whole thing was that although they were fully cognizant of the state of affairs, they were unable to prove their case, and hence unable to take any action.

The case in point recently involves a much talked of mining company. Exchange officials ascertained, without definite proof, that the president of the company also controlled a security company, to which options on the mining company's shares were given. There was nothing on paper to prove this. But it was strongly suspected that with this set-up, the shares were manipulated to the ultimate disaster of investors, and aggrandisement of the dual president. This particular stock, in four months, rose from a few cents to a high over 50. It is now selling somewhere about 20. The shares of this company are still listed on the Mining section of the Toronto Stock Exchange.

Study English Plan

Other abuses charged against options are variations of this scheme, and their possibilities more or less obvious.

In their effort to study the problem, The Financial Post was told, the executive committee are examining the methods used by exchanges in other parts of the world. Naturally, such a study will only be helpful to a limited extent, as few exchanges have the percentage of mining stocks which the Toronto Exchange has.

On the London Exchange, options are handled through what is known as the "Corner House." This company finances the budding firm, industrial or mine, before any issue is offered the public. By the time the firm's shares are ready to be listed on the exchange, all option arrangements have been completed. Whether or not a similar plan would work in Canada, where mining promotions are such a factor in the market, is one of the things the executive committee intends to find out.

In the meantime, the committee is seeking to smash the existing deadlock, and devise some regulative drug whereby the Mr. Hyde in options may be put to death without impairing the health of Dr. Jekyll.

APRIL GOLD VALUE SET AT $5,666,841 BY ONTARIO GOV'T

Output Last Month Was 506,678 Tons; 518,588 in March

A bulletin prepared by the Ontario Department of Mines shows April output for the province valued at $5,666,841, as compared with a gross value of $5,961,325 in March. Nearly 12,000 tons less ore were milled in April, the report shows.

The Ontario producing gold mines in order of output for April are as follows:

Porcupine Camp; Hollinger, McIntyre, Dome, Buffalo-Ankerite, Coniarum, Vipond.

Kirkland Lake Camp; Lake Shore, Wright-Hargreaves, Teck-Hughes, Sylvanite, Macassa, Toburn, Kirkland Lake Gold, Ashley, Barry-Hollinger.

Northwestern Ontario; Howey, Minto, Ardeen, Parkhill.

Figures for the first four months of 1934 follow:

Monthly Output of Ontario Gold Mines 1934

	1934 Tons Milled	1934 Value $
Porcupine:		
January	302,580	2,513,247
February	275,105	2,692,955
March	299,220	2,726,532
April	293,668	2,648,257
Total	1,170,573	10,580,991
Kirkland Lake:		
January	167,953	2,781,721
February	151,794	2,655,784
March	170,542	3,016,363
April	166,328	2,801,916
Total	656,647	11,255,784
N. W. Ontario:		
January	47,646	233,080
February	36,720	199,889
March	48,826	218,430
April	46,682	216,668
Total	179,874	868,067
Total—January	518,179	5,528,048
February	463,619	5,548,628
March	518,588	5,961,325
April	506,678	5,666,841
Grand total	2,007,064	22,704,842

Gold bullion shipped to the Royal Canadian Mint during April contained 172,511.48 fine ounces of gold and 23,878.67 fine ounces of silver having a value of $8,576,755.60, the gold being valued at $20,671,884.

Island Mountain to Build 50-ton Mill Immediately

VICTORIA.—Acquisition by the Reward Mining Co. of four new properties in the Nelson mining division and the announcement that Island Mountain Mining Co., subsidiary of Newmont Mining Corp. and in which Reward holds a substantial interest, will commence work immediately upon a fifty ton mill, has been confirmed by C. P. Riel, managing director of the company.

The new properties of Reward, upon which development has already commenced, includes the old Promistora mine at Mineral City, eight miles from Burton, B.C.

McMILLAN MILL TO START JULY 1

Three New Names Appear on Board After Annual Meeting

Electrical machinery has been installed on the property of McMillan Gold Mines, operating near Sudbury, Dr. J. H. Banks, president, told shareholders at an annual meeting of the company held recently in Sudbury. The power line to Espanola is nearing completion and it is expected power will be turned on shortly.

The mill will be ready for operation by July 1, the president stated. The following members of the board retired: Fred Davidson, Dudley Wood, and A. H. Bryson. Replacing them on the board are G. B. Goldsborough, New York; J. M. R. Corbet and W. J. Hussey, of Toronto.

Post's Calendar Of Meeting Dates

May 17—Granada at Mines.
May 18—Macassa Mines, at Toronto
May 21—Ontario Woman Lake Gold Mines at Port Perry.
June 15—Nipissing Mines at Toronto.

Stobie Forlong Assets Pay Two Per Cent on June 1

Stobie Forlong Assets Ltd., now in liquidation, has declared a disbursement payable June 11, of two cents on the dollar. With previous disbursements, the total paid to date now amounts to ten cents on the dollar. Assets totalling $80,000 will be divided on June 10.

Gabrielle Sinking Shaft With Electric Power

Shaft sinking under electrical power is going ahead rapidly at Gabrielle Mines in the Rice Lake, Manitoba area, according to word from George H. Salton, engineer in charge of the property. Plans call for 2,000 ft. of diamond drilling.

Roan Antelope Mines Show Gross Revenue of £378,020

The quarterly statement by the Roan Antelope Copper Mines, prominent Rhodesian copper producer, covering the three months ended March 31, 1934, shows a gross revenue of £378,020 and a net profit, subject to taxation only, of £59,765. Earnings are calculated only on the basis of the blister copper output and the quarterly report was adversely affected owing to the smelter shut-down barring the treatment of concentrates produced which were not calculated in the earnings.

Mining Stock Quotations

Week Ending May 14.

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close May 7 (or last)	High for week	Low for week	Close May 14
1	.06	.01	Aconda	27,000	.02½	.02½	.02	.02
No	.33	.13	Aldermac	40,520	.23	.25½	.22	.24
1	.10	.02½	Alexandria	57,600	.04½	.05½	.04½	.05½
No	.18	.12	Algoma	31,700	.14½	.14½	.12½	.12½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL STOCKS

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close May 7 (or last)	High for week	Low for week	Close May 14
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No	1.90	1.25	Home	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No	.05	.02	Homestead	......	.05	.....	.....	.....
1	.16½	.13	Homestead O. & G.	4,500	.14½	.14½	.13	.13
No	.44	.20	Lowery	500	.25	.25	.25	.25
No	.42	.25	Merland	400	.26	.25	.25	.25
1	.48	.25	Midwal	5,780	.40½	.42	.34	.40
5	.17½	.09	Nordon	20,100	.11½	.12½	.11	.11½
No	.09	.05	Oil Selections	25,400	.05½	.05½	.05	.05
No	.34	.19	Olga Gas & Oil	17,000	.23	.26½	.20	.24
1	1.10	.75	Petrol Oil & Gas	......	.80	.....	.....	.....
No	19.55	16.75	Royalite	852	17.00	17.25	16.75	17.00
1	.13	.07½	Sarnia Oil	500	.08½	.08½	.08½	.08½
No	.17	.10	South West Pete.	200	.10	.10	.10	.10
No	.70	.60	Sterling Pacific	1,750	.63½	.65	.62	.64½
No	.97	.65	Wainwright West	23,450	.68	.75	.65	.72½

VANCOUVER STOCK EXCHANGE
(Transaction for Week to May 9.)

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close May 7 (or last)	High for week	Low for week	Close May 14
1	.09½	.04½	Alexandria	14,100	.06	.06½	.04½	.04½
25c	.03½	.01	Bayview	16,800	.01½	.02	.01½	.02
20c	.08½	.04	Beaver Silver	26,700	.04	.05½	.04½	.05½
25c	.06½	.04	Big Slide	......	.05	.....	.....	.....
25c	.03½	.02	Bluebird	1,000	.02	.02	.02	.02
1	3.00	2.10	Bradian Gold	7,112	2.60	2.75	2.55	2.70
No	15.00	9.85	Bralorne	2,844	13.50	14.25	13.25	13.50
1	.48	.20	Bridge River Cons.	34,710	.38	.40	.36	.36
50c	1.28	.28	Bridge River Exp.	47,620	1.10	1.28	1.10	1.10
50c	.27	.23	B. R. Mountain Gold	....	.26	.....	.....	.....

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close May 2 (or last)	High for week	Low for week	Close May 9
100	90.00	90.00	B. C. Electric, pref.	......	90.00	.....	.....	.....
1	1.76	.51½	B. C. Nickel	37,100	1.75	1.75	1.25	1.35
1	1.25	.90	B. C. Silver	200	.90	.90	.90	.90
50c	.29	.20	Butte L.X.L.	4,800	.21	.22	.21	.21
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL STOCKS

Par Val.	Range 1934 High	Range 1934 Low	Company	Sales	Close May 2 (or last)	High for week	Low for week	Close May 9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No	.09½	.04½	Devenish	......	.06	.....	.....	.....
No	.01½	.00½	Fabyan Pete	66,000	.00½	.00½	.00½	.00½
No	.16½	.08	Freehold	500	.08	.09½	.09½	.09½
No	.13	.06	Hargal	80	.06	.07	.07	.07
No	.35	.15	High Sarcee	8,700	...	.29	.27	.27
No	.05	.01½	Madison	16,700	.02½	.02	.01½	.01½
No	.35	.10	Marjon Oil	7,700	.13	.14	.11	.12
No	.05½	.04½	McD. Segur Ex.	......	.04½	.....	.....	.....
1	.47	.30	McLeod	800	.30	.34	.32	.33
No	.22	.14	Mercury	10,000	.16½	.17	.15½	.15½
No	.22	.10	Mill City Pete	100	.10	.12	.12	.12
1	.33	.20	Model	5,350	.....	.23	.20	.23
No	.18	.06½	Okalta	3,210	.10	.12	.10	.10
100	29.00	18.00	Do., pref.	......	18.00	.....	.....	.....
No	.17	.07	Pacalta Oil	7,100	.12	.13	.11	.11
No	.55	.14	Ranchmen's	1,400	.42	.55	.45	.55
1	.42	.23	Spooner	700	.30	.32	.30	.30
No	.11½	.06	United	2,000	.08	.08	.07	.07
No	.50	.11	Vanalta	44,900	.43	.45	.33	.34
1	.20	.16	Vulcan	......	.16	.....	.....	.....
1	25	.15	Wellington Oil	1,200	.25	.25	.25	.25

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas†	2c.	.....	Mercury Oils	4c.	.....
Ajax Oil	8c.	7.14	Merland Oils°	5c.	.....
Bralorne	12½c.	.....	Model Oils	3c.	.....
Bulolo Gold‡°	60c.	.....	Noranda‡	$1	.....
Coast Brew.	92c.	8.16	Petrol Oil‡°	1c.	.....
Coniagas‡	12½c.	.....	Premier	12c.	9.44
Cons. Smelters	1.50	.....	Pioneer, B.C.	60c.	4.95
Dome Mines	$2+$1.50	.....	Royalite	50c.	.....
Falconbridge	5c.	.....	San Antonio†	5c.	.....
Goldfield Cons.‡°	5c.	.....	Siscoe	12+2c.	6.54
Hollinger	65c.+30c.	6.03	Sterling Pacific Oil‡°	2½c.	.....
Howe Sound	$3	.....	Sunshine Min.	5+7c.	.....
Int. Coal & Coke‡	1c.	.....	Sylvanite	10+5c.	6.11
Int. Nickel c.	10c.	.....	Teck-Hughes	60c.	9.91
Lake Shore	$2+$1	6.25	Wright-Har.	40+10c.	5.81
McIntyre	1.62½	3.87			

‡Interim. †Initial. °Paid in 1933.

Unlisted Mining Stocks

May 15, 1934

	Bid	Asked		Bid	Asked
Adanac Gold	..	.35	Keeley	.50	..
Ardeen Gold	..	.58	Kenty Gold	..	.80
Arntfield Gold	.80	.85	Kirk. Gold	.23	.27
Arntfield Synd.	.75	.80	Kow Kash	.04	.06
Astoria Rouyn	.05	.06½	Lake Geneva	.12	.17
Bankfield Gold	.30	.35	Long Lac Adair	.27	.31
Bathurst	.03	.05	Long Lac Lag.	.24	.28
Beattie	1.14	1.20	Lamaq. Contact	..	.25
Bidgood	.02½	.03½	Lamaque Gold	1.70	1.85
Big Long Lac	.15	.20	McCarthy Webb.	..	.09
Bloom Lake	..	.28	McL. Cockshutt	.33	.36
Bob Tough	.30	.35	McCuaig R. Lake	.31	.34
Buff. Ankerite	1.75	1.90	Man. & Eastern	.20	.22
Buff. Rouyn	..	.03	Magnet Lake	.29	.33
Bussieres Min.	.60	..	Matachewan Can.	.15	.19
Calder Bosquet	.30	.34	Mecca Gold	..	.20
Can. Pandora	..	.22	Metals Develop.	.04	.06
Can. Radium	.07	.10	Minefinders	2.00	2.75
Canusa Mining	.07	.08½	Martin-Bird Un.	14.00	17.00
Casey Summit	.60	.70	Miller Indep.	..	.35
Cen. Malartic	..	12.00	Mont. Acker.	..	.30
Cent. Porc.	.54	.60	N.A.M.E. Units	7.00	9.00
Clover G Units.	..	43.00	Normetal Mine	.45	..
Cochenour Wil.	50.00	70.00	Northl'd Pros.	..	350.00
Columario (old)	.16	.20	Northern Turn.	..	.58
Condor Cons.	.24	.28	O'Connell Gold	.30	.35
Continental Kirk.	.07	.12	Peninsular Pet.	.00½	.01
Coupland Gold	..	.45	Pickle Crow	.67	.72
Crown Reserve	.09	.11	Pontiac Rouyn	.45	.53
Cuniptau	..	.96	Powell Rouyn	.95	1.00
Delta Units	60.00	80.00	Que. Eureka	.11	.13
Dorval Siscoe	.31	.34	Queen Lebel	.10	.13
Dorval Siscoe Units	19.00	23.00	Red Lake Gold	.42	.46
Dunlop Cons.	.01½	.03	Rice Lake Units	10.00	14.00
Eagle Oil	.65	.75	Rubec	.02½	.03½
El Bonanza	.18	.22	Senneterre Gold	10.00	15.00
Four Nations	..	.40	Silveradium U.	150.00	175.00
Glenora Gold	.35	.45	Silver Valley	.06	.08
Golden Que.	.65	.70	Smelter Gold	.26	.30
Goldside Units	40.00	50.00	Sourdough Un.	7.00	11.00
Gold Bar	.24	.27	Sun Bear	..	.20
Grandoro	.47	.58	Talisman Gold	.22	.25
Gt. Bear Dev.	..	.30	Tashota Goldfield	.34	.40
Greenlaw	.06	.07½	Tiblemont Island	.55	.60
Gr. Bear Lake	..	.41	Titurno Units	17.50	23.00
Gabrielle	.45	.50	Toburn	1.40	1.48
Hardrock	.70	.75	Tudhope M. Syn.	..	20.00
Herbin Lake Un.	17.00	20.00	Tyrrell Tp. McN.	..	40.00
Horseshoe	.03½	.05	Universal U.	12.00	17.00
Huronian M.	.50	..	Upper Can. Gold	.27	.29
Internat. Gold	.32	.34	Vipond	.50	..
Island Lake	.10	.13	Wendigo	.50	.55
Johnson Nipigon	.30	.33	Wingold	.35	.45
Jupiter Gold	.19	.21	Young Davidson	.26	.31
			Yellow Knife	.27	.33

Source of quotations on application. Not guaranteed.

WESTERN CANADA OIL FIELDS ACTIVE SUMMARY SHOWS

March Production Figures Stand Up Well With Previous Months

A summary of petroleum and natural gas developments in Western Canada up to May 7, 1934, has been made by The Financial Post. Activity in the principal areas follow:

Comrey; arrangements for the drilling of the McDonald Imperial No. 1 well in this locality by contract are now under negotiation and it is hoped that drilling will start during this month.

Twin River; after treating with acid the Nordon Roney well is reported to be flowing by head about 25 barrels of crude per day. A three-inch tubing is being used in an effort to obtain larger production.

Skiff-Devenish Petroleum have a small crew rigging up on their new drilling location in this field.

Lundbreck; it is reported that Raven Oils are hauling 15-inch casings to their well site on the Watson structure and that drilling will be resumed shortly.

Considerable Activity

Aldersyde; Ranchmen's No. 1 well in this field is standing at 6,260 ft. While no announcement has been made by the company in regard to reported strike of oil and gas, there has been considerable activity in taking up leases by other interests during the past month.

Pekisco Structure; overcoming difficulty in the early stages of drilling and a shortage of water Pekisco Hill's No. 1 is now drilling three tours and reports a depth of 450 ft.

Turner Valley South End; it is reported that Okalta will drill on their holdings half a mile south of Union Drilling Company's well which was the most southerly location yet drilled on this structure.

Highwood-Sarcee No. 1 on L. S. 16 of section 21 has cemented eight-inch casing into the limestone at 5,350 ft. and expects to commence drilling as soon as the cement has had time to set. In section 27, C and E, Longview No. 1 on L. S. 5, drilled into the limestone at 5,592 ft. Six-and-five-eighths inch casings have been run to 5,607 ft. and cemented, drilling has been resumed and development in the limestone will be watched with much interest.

Royalite Plan Campaign

Turner Valley Central Area; Okalta No. 4 on L.S. 8 of section 1-20-3-W5. Drilling at 3,422 ft.; carrying casing at 3,414 ft.

Trinity Petroleum Co. has taken over 100 acres of the McDougall-Segur holdings in crude oil horizons. The naphtha limestone horizon has been disposed of to the Royalite Co. who are planning an intensive ten-well drilling programme.

A second absorption plant is to be installed on the Mercury lease by Gas & Oil Products, a company organized for the purpose by A. H. Mayland, president of Mercury Oils. An absorption plant with a capacity of 80,000,000 cu. ft. of gas per day has been purchased in Texas and is being removed to Turner Valley.

Waite Valley; casing has been recovered from the Brock well which was drilled to 3,710 ft. in 1930.

Birch Ridge; the Lundy well in which the Mar-Jon Oil Co. Ltd. of Vancouver are interested commenced drilling on April 30.

To Buy Turner Crude

Moose Mountain; the Elbow well has reached a total depth of 4,375 ft. and is reported to have drilled into the Dalhousie formation.

Hunter Valley; Hunter Valley No. 1 is reported to be under reaming at 2,125 ft. in their new hole.

Two Hills; the Frontier Brasseau well has reached a depth of 1,073 ft. and encountered a flow of dry gas at 960 ft.

Wainwright; it is reported that Gold Seal refinery at Wainwright is importing crude from Wyoming and have been arranging for a crude naphtha supply from Turner Valley.

Saskatchewan; Ribstone Blackfoot Structure; Lloydminster Gas Company's well was reported to have encountered a large flow of gas in the Blackfoot sand, said to have been estimated at 15,000,000 cu. ft. The Saskatchewan Government has arranged for an official measurement of this well. A gas field of major importance would appear to have been discovered. Altoba Oil & Gas Co. is reported to be making investigation in the Lone Rock area.

Southern Area; press reports state about to resume drilling in their well near Avonlea and that oil interests may commence drilling in the vicinity of Wilcox.

British Columbia; no reports are available in regard to Columbia operations in the Sage Creek area. In the Surrey district the Noble Frances well is reported to have struck a flow of gas, but no measurements are given.

Production figures for March and first quarter of 1934 follow:

	March Bbls.	Three Mo. Ended Mar. 31 Bbls.
Advance	808	2,105
Associated G. & G.	322	929
Baltac	124	383
Dalhousie	1,011	2,807
Foothills	2,576	7,575
Freehold Mar-Jon	6,118	18,752
Home Oil	1,845	5,229
Lowery Pete	354	985
Merland	6,016	18,886
Royalite	43,656	118,645
A. P. Con.	158	500
Calmont	414	1,188
Mayland	2,914	9,374
S. Lowery	2,316	6,764
Southwest Pete	216	655
Ster. Pacific	4,128	12,460
Alberta Fed.	91	240
Anaconda	5,845	13,295
Brit. Dominion	219	628
Commonwealth	552	1,773
East Crest	1,746	5,304
Freehold	108	355
Hargal	77	224
Highwood Sarcee	1,315	
Homestead	186	592
Hyle	2,360	7,044
Mar Jon	166	?
McLeod	427	1,505
Mercury	5,483	15,898
Miracle	7,980	23,082
Mid-Field	127	361
Model	5,160	15,188
McDougall-S. New	984	2,946
Okalta	769	2,385
Regent	168	444
Richfield	272	841
Spooner	821	2,180
Sterling Royalties	7,389	22,657
Structure-Wayne	224	757
Vulcan	92	380
Wellington	338	918
Widney	560	1,690
Total	116,328	320,229

Metal Prices

New York—May 15—
Copper: Electrolytic spot and future, 8½c.
Silver: 44½c.

London—May 15—
(Long Ton)—
Copper: Electrolytic spot, £36; future, £36 10s.
Standard spot, £32 15s; future, £33 2s 6d.
Tin: Spot, £232 15s; future, £229 2s 6d.
Lead: Spot, £10 17s 6d; future, £11 2s 6d.
Zinc: Spot, £14 10s; future, £14 17s 6d.
Silver: 19⅜d. per ounce.
Gold: 136s ½d.

Canada—May 15—
Gold: $34.74.

Lindsley Group Dominate Board Little Long Lac

A shake out of two of the original directors of Little Long Lac Gold Mines occurred at the first annual meeting held in Toronto last week making way for greater representation of the Lindsley interests which can now dominate the company. The retiring directors are Percy Hopkins, well-known consulting geologist and S. J. Fitzgerald of the Sudbury Diamond Drilling Co. The board now comprises Joseph Errington, president; Thayer Lindsley, vice-president; W. S. Morelock, A. B. Gordon, all of Toronto; D. M. Morin, Sudbury.

The entry of the Lindsley interests into the management of the company was not the result of its financial sponsorship The Financial Post was informed, for the financing arrangement were made with F. J. Crawford & Co. The original $100,000 was provided by private interests taking up 400,000 shares. The first option was 100,000 shares at 40 cents the next 100,000 shares were at 50 cents and gradually progressing to 80 cents. As at December 31, 1933, 1,660,005 shares had been issued of which 900,000 shares were for properties. The market gyrations of the shares that carried the stock to $4.75 each is being credited to the promotional activity of "Sell 'em Ben Smith" famed New York market operator, whose representative has been in Toronto.

The property has been developed under the direction of A. A. Barton, well-known mining engineer, while the 200-ton mill planned for operation this fall is being designed by C. D. Keading, in co-operation with Wm. Dunn, both Ventures engineers. C. W. Dowsett, consulting metallurgist of Dome Mines, will also act in an advisory capacity, making a strong line-up of technical ability on which the responsibility of the new plants rests.

Michipicoten Mines Formed Property Adjoins Parkhill

Michipicoten Gold Mines, incorporated with an Ontario charter on March 19, 1934, has been formed by W. A. Hesse of Toronto to develop the group of nine claims immediately adjoining the Parkhill Gold Mines in the Michipicoten area of Ontario.

The new company, headed by Dr. James C. Bell of Bowmanville, has an authorized capitalization of $2,500,000 in $1 par value shares of which 999,995 shares have been issued to the vendors. An interesting angle of the company's holdings is that a vein found on the southern section is believed to be an extension of Parkhill's main vein while at the northerly section surface trenching in a series of veins over a length of 200 ft. showed an average of $25 over a width of two ft. and eight inches. Mr. Hesse, reporting on the property, comments that the fact that it adjoins the well known producer and has similar geological conditions and structure, warrants the spending of considerable money for development on a property which, he believes, will develop into a profitable producer.

Ontario Woman Lake Mines To Change Name and Capital

Proxies are being sought by Ontario Woman Lake Gold Mines, for the annual meeting to be held on May 21, when plans for changing the name of the company to Medicine Rock Gold Mines and rearranging the outstanding stock will be laid before shareholders.

The company announces that W. J. Beckett & Co., Toronto brokers, have arranged to finance a development programme at the company's properties at Woman Lake. It has been deemed advisable not to sell the company's assets to a new company to be formed, but to change the name by an application to the Provincial government, it is stated. The meeting is to be held at Port Perry.

Canusa Gold Mines Active After Lapse of Two Years

Canusa Gold Mines is resuming operations at its property in Whitney township, Porcupine district, after suspension of operations for nearly two years.

Refinancing, arranged through Fred B. Brown of Detroit, is understood to be sufficient to carry out the present programme. In midsummer 1931 a 50-ton pilot mill operated by electric power was completed to bulk sample the ore while carrying on further development work, but the mill was little more than tuned up when operations were suspended. In June, 1932, the present company was organized and shareholders in Canusa Mining & Development Co. received one new share for each three shares held. It is understood that it is principally Detroit capital that is now interested.

Power Contract With H.E.P.C. Signed by Central Patricia

Ample power for Central Patricia Mines at $65 per h.p. has been provided for in a contract signed with Ontario Hydro-Electric Commission, F. M. Connell, president, told shareholders at an annual meeting held in Toronto recently. In securing the contract the company put up a bond of $10,000, while $40,000 was paid the commission for construction of the transmission line, the president explained. Part of this money will be refunded as other mines in the area use power.

The 50-ton mill is now turning over, and will not be placed in full operation until the end of the month. J. H. Rattray, mining engineer, replaced W. H. Connell on the board of directors.

FIRST GOLD FOUND IN NEW BRUNSWICK ASSAYS $219 A TON

Lucky Shot in Surface Operations Reveals Spectacular Strike

From Our Own Correspondent

FREDERICTON.—For the first time since the constitution of the Province of New Brunswick, 150 years ago, gold, allegedly assaying as high as $219-per ton, has been found in the centre of the province. The find, located 21 miles from the nearest base of transportation, on the upper branch of the Miramichi River, was diamond drilled to shallow depths last summer at the expense of the Government of New Brunswick, but the discovery of ore containing the high assays above mentioned was made only a few weeks ago, as a result of a lucky shot put in during surface operations. At a depth of one foot beneath the surface rock, a display of high grade ore was revealed that is claimed to be consistent over mining widths.

At a meeting of the local syndicate, which is financing development, held in Newcastle, May 11, the question of retaining the services of a mining engineer to report fully on the property and the geology of the area was considered, and the matter held over for decision until the 22nd.

In case a report favoring further development is forthcoming, it will mean that every province in Canada, except Prince Edward Island, is now the scene of gold mining operations.

Dentonia Officials Refute Reports About Property

In order to allay rumors that have been circulated recently regarding Dentonia Mines which started production last month, A. G. Langley, director and consulting engineer, and J. K. McCrae, K.C., also a director, have issued the following statement:

"There is no reason to feel any anxiety as regards the position of the Dentonia Mine. This property is responding very satisfactorily to development and the mill is giving excellent results.

"There are no payments due on the property and the titles are all in order.

"There are no payments due on the plant and the company is in a good financial position.

"Production at present is at the rate of 100 tons per day.

"The last concentrates are running eight ounces to the ton and seventy ounces to the ton in silver.

"This information has just been received officially from Nelson S. Smith, the president and managing director of the Dentonia Mines Limited, and is published with his authority."

Sudbury Mines Liquid Assets Total $30,000 Meeting Told

A revised board of directors, headed by S. W. Gooderham, was appointed at the annual meeting of Sudbury Mines Co., held in Toronto recently.

Officials reported the acquisition of a group of new claims adjacent to Teck-Hughes in northwest Quebec. Liquid assets of the company total about $30,000, including 3,500 shares of Wright-Hargreaves, and holdings in Noranda. Of an authorized capitalization of 3,000,000 shares, only 1,637,506 are outstanding, shareholders were told.

The following directors were elected in addition to Mr. Gooderham: P. W. Dunbar, P. Rogers, H. J. Stratton, H. J. Lewis, W. Pickering, and A. J. Treblecock.

Acme Gas Co. Earnings Show Gain in First Quarter

Earnings in the first three months of 1934 were approximately $30,000, W. R. P. Parker, president of Acme Gas & Oil Co., told shareholders at the annual meeting in Toronto on May 14. At the end of the quarter the company had current assets of $92,705.

One shareholder moved that the balance of the unissued capitalization of some 3,000,000 shares be cancelled, leaving only the 2,015,732 shares outstanding. This is to be taken under consideration. The existing board of directors, headed by Mr. Parker, was re-elected for the ensuing year.

Vidette April Output $18,500

VICTORIA.—April output of Vidette Gold Mines amounted to $18,500 according to a report released by Gordon F. Dickson, managing director.

To Drill Mayrand

AMOS, P.Q.—H. S. Denny, president of Sudbury Contact Mines, advises that diamond drilling will start on the Mayrand group this week.

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FOUR NATIONS CON. GETS NEW BOARD AND FISCAL AGENT

H. W. Waters & Co. Replaces Former H. Don Miller Ltd.

A shake-up in the board of directors of Four Nations Consolidated Gold Mines, and a complete reorganization of its fiscal agents, the former H. Don Miller Ltd. was announced recently.

Replacing J. R. Jarvis and Roderick H. Rae on the board of Four Nations, Sam. Harris and Fred Killer have been made directors. The former H. Don Miller Ltd. now becomes H. W. Waters & Co., with Dr. H. W. Waters, former president of the Canadian National Exhibition, as president.

While unable at the present time to produce any channel sample or systematic assay plan, officials of Four Nations state that 45 assays recently sent to the Toronto Testing Laboratory showed an average value of $10.82 a ton with gold at $35 an ounce.

$600,000 is Spent

Dr. Waters told The Financial Post that in the last five months, approximately $100,000 had been spent on the property of the company, which is in the Kirkland Lake area. The former owners, Four Nations Reserve Gold Mines had spent about $500,000 in development work.

When the property changed hands, ten shares of the old company's stock were exchanged for one in the new. Two million shares were issued for properties, which were pooled for a year and a year and a half. Four Nations Syndicate received 350,000 shares, ¼ of which were delivered on May 1; and the remainder at 6, 9 and 12 month periods. This left 2,650,000 shares in the treasury, of which 100,000 were recently offered the public at 30 cents a share.

The company has appointed J. F. R. Akehurst, formerly with Sylvanite, as engineer, replacing L. F. Kindle, who is now with Sun Ray Gold Synd.

Dr. Waters stated that development work on the property had been delayed owing to a break-down in the hoist. The company now has a new hoist, and other new machinery, and resumed cross-cutting on May 9.

BUNKER HILL MINE FINALLY APPROVES WILLASTONE DEAL

Bitter Fight Ends in Defeat for Fay Faction

Brief but bitter was the fight waged at the annual meeting of Bunker Hill Extension Mines in Toronto recently. Chief cause of dissension was the proposal by which Bunker Hill would enter a syndicate as a three-tenths partner, to take control of the Willastone Mining Co.'s claims, adjoining the property of Miller Independence Mines. This deal would, if completed, involve an expenditure of $60,000 by Bunker Hill Mines and $200,000 in all by the group.

When the smoke of battle finally cleared away, the opposition group headed by H. P. Fay had been defeated in a proxy fight, the Boland-Young faction having succeeded in getting proxies for 2,504,767 shares and Fay only 72,160. As a result the by-law calling for a reduction of capital from 5,000,000 to 1,000,000 shares was approved; J. H. Frederick and G. B. Powell were replaced on the board of directors by F. E. Reid and H. E. Miles and Bunker Hill will go ahead with the project to acquire the Willastone claim.

Not Firmly Bound

As explained to shareholders, the deal provides that Bunker Hill will be required to put up $3,000 as part of a $10,000 down payment. The second payment would be made in 60 days and Bunker Hill would be required to advance its three-tenths share of $15,000 at that time; subsequent payments were called for September 1, December 1, 1934, and January 1, March 1 and May 31, 1935. The stock in 125,000 share blocks ranged in price for the dates named at 12½ cents, 15 cents, 20 cents, 25 cents, 35 cents and 45 cents. It was explained that all Bunker Hill was firmly committed to pay was $3,000 and that there would be 60 days to determine whether the property was responding satisfactorily or not. If, at the end of that time, they did not wish to complete their option it would be taken off their hands by their associates in the syndicate who are R. C. Gamble, M. E. Young and C. E. Gentles.

It was revealed in the discussion M. W. Hotchkin, consulting engineer for Miller Independence, and Mr. Miller, president of Miller Independence, would receive bonuses of 25,000 shares each for introducing the principals in the deal. These payments were to be made as the deal progressed and there was no cash obligation.

It was also revealed that the company had sold 19,100 shares of its original holdings of McVittie-Graham and held 2,400 shares, its principle asset. Cash as at April 30 was $12,931 and investments were carried at $15,051. Accounts payable were $2,094.

Quebec Mineral Output Reveals Sharp Advance

The quarterly statement on mineral production by the Bureau of Mines for Quebec reflects a substantial advance in all mineral products for the three months ended March 31, 1934, as compared with the corresponding period in 1933.

Asbestos production increased 80 per cent and gold production approximately 18 per cent, while a slight decline in silver output was reported.

The following tabulation gives comparative figures for the two periods:

	First quarter 1934	First quarter 1933
Asbestos, tons	30,387	16,887
Gold, oz.	104,674	89,067
Silver, oz.	109,904	112,850
Copper, lb.	16,071,361	14,947,265
Clay products	$77,803	$77,811
Lime, tons	26,468	15,158
Cement, bbls.	109,746	99,616

Heads Investment Firm

DR. H. W. WATERS
Formerly general manager of the Canadian National Exhibition, who has resigned to become president of the newly formed H. W. Waters & Co. Prior to the change, this investment firm was known as H. Don Miller Ltd. Mr. Miller is still associated with the firm.

PAYMASTER HOPES TO START MILLING BEFORE AUG. 15

Shaft Down to 425 ft. — Have Started Cross-cutting in Vein

Mine developments are rapidly shaping up that will permit Paymaster Consolidated Mines to start milling operations not later than August 15, E. H. Walker, vice-president of the company advised The Financial Post.

Following a long financial struggle to pay off the old debts and obtain funds for the further development of its property adjoining Dome Mines in the Porcupine district, the company resumed work last August and confined activities principally to the old Heinze shaft adjacent to the Dome boundary. This shaft has now been completed to a depth of 425 ft. and a station has been cut at this horizon. Crosscutting to the vein started last week. An interesting new development was the encountering of a stringer in cutting the station which assayed $44 per ton with gold at current value. Diamond drilling about 100 ft. from this point encountered a five ft. vein that showed $44 (gold at $20.67.)

Dewater Old Shaft

Development work on the 200 and 300 ft. levels, adjacent to the Heinze shaft, has partially blocked out 22,092 tons of ore having a gross value of $252,000 or an average of $11.41 per ton with gold at $32 per ounce and widths corrected to five ft.

Attention is also being directed now to dewatering the old shaft at Dome Lake, which had been sunk to a depth of 1,050 ft. A winze starting at that level, had also been sunk to 1,525 ft., the deepest working on the property. The old Dome Lake headframe is being reconstructed and immediately it is completed an aggressive programme will be started in that area of the property.

The property is equipped with two mills, the old Dome Lake mill with 150 tons capacity and the Paymaster mill of 1,000 tons capacity. This mill, while rated at 1,000 tons, has a 350 ton capacity cyanide plant and is ready for operation with minor adjustments and tuning up. It is proposed to start production about August 15, treating 125 tons daily from the Heinze shaft where seven months' supply has been indicated and then to gradually bring the mill up to 350 tons capacity as developments from the Dome Lake shaft warrant. A great deal of ore running from $3.50 to $4.00 per ton was indicated in the old workings adjacent to the Dome Lake shaft. The present price of gold has enhanced this value until today this is commercial ore.

The company has no outstanding liabilities other than small current accounts at the present time and has $51,000 in its treasury. About $13,000 per month is being spent on development and some $100,000 has been spent since last August.

Wendigo Gold Mines To Deepen Its Shaft

With a crew of 65 men at work, the old Wendigo mine in the Lake of the Woods area of Ontario, worked 35 years ago, is receiving belated attention by the Wendigo Gold Mines, incorporated last fall by a Toronto group headed by Lloyd Lott, which has deepened the old shaft from 100 ft to 200 ft. where drifting is under way. Before the end of the month it is planned to resume sinking to an immediate objective of 400 ft.

Some 300 ft. of drifting has been done on the east drift of the No. 1 vein on the 200-ft. level, and cross-cutting will start soon to prospect a parallel vein found on the surface. The vein is narrow and erratic but has some high values, one of $44.40 over a width of 50 inches. In the west drift a split in the vein occurred with a considerable improvement in values at that point. Here again the vein is narrow and gives high but erratic values.

The company has a capitalization of $2,000,000 in $1 par value shares of which about 1,500,000 are outstanding. At the present time the company is reported to have some $66,000 in cash and $10,000 in supplies.

Malrobic Mines Approve Increase in Capitalization

Shareholders of Malrobic Mines have approved of an increase in the capitalization from $3,000,000 to $4,500,000 in $1 par value shares of which 500,000 shares have been issued for the newly acquired Fitzpatrick property. A special general meeting is called for May 17, in Toronto, to approve the allowing of the new stock to be sold at a discount of 95 per cent, or a minimum price of five cents per share to the treasury.

The existing board of directors were re-elected, headed by W. H. Robb of Toronto as president.

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Barristers, Solicitors, etc.
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YORKSHIRE BUILDING
VANCOUVER, B.C.

PREDICT ACTIVITY IN FLIN FLON AREA TO QUICKEN IN '34

Saskatchewan Gov't Reports Many Claims Being Staked

Evidence of considerable activity in the Flin Flon during 1933 is contained in a bulletin recently issued by the Saskatchewan government. Last year a large number of claims were staked in close proximity to Hudson Bay Mining & Smelting Co.'s property.

Many of the claims are in Saskatchewan near Phantom, Douglas and Bootleg Lakes. Some activity is also anticipated at Beaver Lake on the Graham claims worked last year by Duluth interests, and on the Amisk Lake Gold Mining Synd. properties, when certain litigation has ended.

Active This Year

A government officer who recently visited the claims states that the whole territory from Amisk (Beaver) Lake to Flin Flon shows indications of more intensive development during 1934 than in any previous year. Men are already at work on the Prince Albert group of claims at Beaver Lake constructing camp buildings, and preparing to sink a development shaft.

East of the south end of Bootleg Lake the Mahoney-Henning interests have approximately 30 men employed. Seven buildings have been erected to provide living quarters and to house a mine hoist, compressor plant and tool dressing machinery. The property was discovered in 1931 and has been favorably reported on by J. F. Wright and C. H. Stockwell of the Dominion Geological Survey. Assays claimed by the Company indicate gold ores, running up to $35 per ton, with occasional samples of much richer material.

Find Gold Values

In the same area and about three miles southwest of Flin Flon a group of claims were staked in 1933 by John Tikkanen and Associates. The ore body is described as a body of schist carrying quartz and sulphides, particularly arsenopyrite. Both quartz and arsenopyrite carry gold values. The average gold content of minable widths of schist, quartz and sulphides is not yet known. Development work is to be pushed during 1934. The success of these two developments on Bootleg and Douglas Lake will be followed with interest.

ACME GAS CO. EARNS $28,018 LAST YEAR

But Liquid Position Shown to Have Materially Improved in 1933

Annual report of Acme Gas & Oil Co. for the fiscal year ended December 31, 1933, showed a net profit of $28,018 or 1.39 cents per share as against the two cents per share initial dividend to be paid on May 15 next. However, shareholders were advised over the signature of W. R. P. Parker, president of the company, that the oil production was higher, but the gross value was lower owing to the almost chaotic condition of the oil industry in the United States in the first half of 1933.

Gross operating income decreased $24,923 to show a net operating income before write-offs and reserves of $65,824 as compared with $74,317 in 1932. Strict economies were also reported, which showed a reduction in operating costs of $8,093 and in overhead of $8,338.

Liquid Position Improves

The liquid position of the company was reported to show a substantial increase at the year end which justified the declaration of an initial dividend, while net operating profit for the first quarter of 1934 amounted to approximately $30,000, increasing the current assets to $168,878 as compared with $77,919 on December 31, 1932.

Production from the company's wells in the Oklahoma field was reported at 102,309 barrels as compared with 88,006 in 1932. Production from the Texas wells was 27,381 barrels as compared with 19,233 barrels in 1932. From the natural gas wells in Southwestern Ontario the production of 41,043,000 cu. ft. of gas was reported as compared with 71,948,000 cu. ft. in 1932.

No additional drilling was undertaken in 1932, but early this year a fourth well was drilled on the Pinkerton "A" property in East Texas which came into production on April 26 last, and is reported as one of the best wells in the field.

The annual meeting of the company is called for May 14 in Toronto.

Government Bulletins

Handbook on Mineral Industries—issued by the Federal Department of Mines, deals with Canadian minerals and mineral products ranging from radium to clay, and numbering about 60. Of the 60 minerals listed in the index, Canada is actively producing more than 40, and is intermittently producing most of the others. The handbook is essentially educational in nature, being designed to fill the needs of high schools and colleges. The book is available, gratis, by application at the department.

Reeves-MacDonald Mines.—Inactive for several years, this mine in southern B. C. has announced that arrangements have been made for the opening up immediately of the property in anticipation of a definite programme toward shipping and milling.

Mill for B. C. Nickel Is Seen as Premature

Fear Western Project May Suffer From Too Hasty Installation — Development is Speeded by New York Triple S. Syndicate

From Our Own Correspondent

VANCOUVER.—Stimulated by the financing of the "Triple-S Syndicate," comprising Ben Smith, Victor Spencer and David Sloan, B. C. Nickel Mines, near Hope, B.C., is experiencing a period of rapid development, which is in sharp contrast to the lethargy which followed fruitless investigations of International Nickel Co., a company which, prior to relinquishing their option, gave the property much study, finally deciding it was not of sufficient interest to acquire.

Despite this condemnation by the experienced International Nickel, the present backers have rapidly driven a tunnel into the side of Choate mountain a distance of 1,500 feet; have laid plans for building an aerial tramway three and a half miles down the gulch, and for hydro-electric development to provide 16,000 to 20,000 h.p. from a stream 20 miles away, at a cost of $1,500,000, and are now giving publicity to plans for the erection of a mill, the site for which is now being cleared.

Grade Unknown

The 1929 report of the B. C. Minister of Mines says four diamond drill holes were put down in that year with the hope of cross-sectioning the ore body below the open cut workings. Three other holes were drilled along the extension of the body where pyrrhotite is exposed down the valley of the creek. The results of this work were inconclusive as regards average grade, and proved only that the pyrrhotite body which is about 80 feet wide, carries a nickel content. It is apparently on this evidence alone, plus the meagre information revealed by the tunnel, that the company plans to erect a mill.

Under the terms of the agreement with the Smith-Spencer-Sloan Syndicate all the indebtedness of the company, amounting to about $175,000, was paid, a tunnel at least 4,200 feet long is to be driven into the mountain, and the property is to be prepared for mining at a capacity of not less than 1,000 tons daily. The syndicate is to receive 4,500,000 shares in the company.

Premature Mills

The trick of installing a mill before the mine has been proven ready for production is well known to promotionists. These tactics invariably boom the value of stock and have the effect of saddling the country with numerous properties, equipped with mill and other machinery, and often with little hope of every reaching the profitable production stage.

B. C. Nickel stock is currently selling on the Vancouver exchange at prices which fluctuate from about $1.25 to about 60 cents.

The Triple S syndicate will be remembered for its interest in connection with Pioneer Gold Mines, in which, despite the fact that some critics charged the company had rushed into production activities without sufficient investigation, the underground developments were kind to them, and Pioneer actually reached highly profitable production.

Speedy Development

As regards developments at B. C. Nickel property, on April 15, after about 1,300 feet of tunnel had been driven, an ore body carrying nickel values about one per cent, with some gold and copper, was encountered. This persisted for 135 feet. Diamond drillers worked north and south to explore the vein, the highest values appearing to be concentrated in the 50 to 70 feet of the centre of it. To the north the diamond drill appeared to be running out of the good ore body. This was regarded as quite satisfactory, inasmuch as this work has no relation to the surface showings which are nearly 2,000 feet further west. The mountain top will be explored vertically as soon as the snow clears. This will be for the purpose of ascertaining whether the newly discovered vein continues upward to the surface.

Mountain "Honeycombed?"

Tunnel drillers are now making about fifty feet a day, and it will be August or September before they will be looking for the Pride of Emory vein, if it runs down where they expect it to run. Meantime they expect to encounter another surprise vein similar to that struck last month. The company officials state they would not be surprised if the entire mountain top was honeycombed with ore.

When the present tunnel enters the ore body, according to Major C. B. North, mining engineer in charge of operations, if the ore remains consistent with the surface findings, several hundred thousand tons of ore would be assured from the outcrops on the surface.

Toronto Firms Sponsor Issue Of Scotia Gold

Scotia Gold Mines, incorporated with a Manitoba charter last November, and headed by Charles E. Hayles, well known grain man of Winnipeg, is being financially sponsored in Toronto by H. B. Housser & Co., J. M. Scott, Jr. & Co., members of the Toronto Stock Exchange, and J. M. R. Corbet & Co.

The company's property comprising approximately 800 acres in two groups on either side of Gunnar Gold property in the Central Manitoba area, has been reported on by J. C. Houston, who states that the main vein has been traced for about 1,500 ft. south and shows a persistent width of from one to three feet. A few shots have been put into the north end of the Juno No. 5 claim where the vein is shown as widening as it disappears under the heavy drift in the creek valley.

A limited amount of work has been done on the No. 1 vein and Mr. Houston has sampled over a 50-ft. section as follows:

Sample No.	Width	*Value	
1	3 feet	$149.20	
2	2 feet	100.80	
3	3 feet	47.80	
4	2 feet	63.00	
5	2.5 feet	90.20	(Check on No. 1)
6	2 feet	145.90	(Check on No. 2)
7	3 feet	53.20	(Check on No. 3)
8	1 foot	14.00	
9	1 foot	16.80	

*Gold $20 per oz.

Ontario Gold Output Soaring

The gold production of Ontario in 1934 will approximate $70,000,000, Hon. Charles McCrae, Ontario Minister of Mines, believes. In the last four years the province had produced $190,000,000 chiefly from Porcupine and Kirkland Lake gold mining camps. Mr. McCrae pointed out that in 1891 the value of Ontario's gold, silver and nickel production was $388,000.

The extent to which mining had developed and enriched the province was seen in the production figures for 1933. Last year Ontario produced $60,000,000 worth of gold, $1,682,000 worth of silver, $20,000,000 worth of nickel and $9,000,000 worth of copper.

Pend Oreille Mines & Metals.—A shut-down of the company's property, Coeur D'Alene mining district, has been necessitated owing to labor troubles, L. P. Larsen, president, has announced. It is expected it will be a month or two before an agreement bringing the 100 men back to work, can be signed.

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PACIFIC EASTERN TO OFFER PUBLIC SHARES AT $1 PER

500,000 Treasury Shares Comprise New Issue of B. C. Company

Formed under a B. C. charter in November, 1933, to take over the properties and assets of P. E. Gold Mines, Dan Tucker, Ltd. and Plutus Ltd., the Pacific Eastern Gold is currently offering the public 500,000 treasury shares at $1 through Doherty Roadhouse & Co., Toronto brokers.

The holdings of this company consist of 81 claims and fractional claims containing over 3,259 acres along Cadwallader creek, Bridge River district. Under former owners, stripping, sluicing, trenching and test pitting was done. A cross-cut tunnel on the east end of the property was completed during last winter, on the 100 ft. level. Favorable results from this work will be followed by diamond drilling, tunnels or shafts. This work has been carried on under the supervision of Col. H. H. Yuill, engineer in charge.

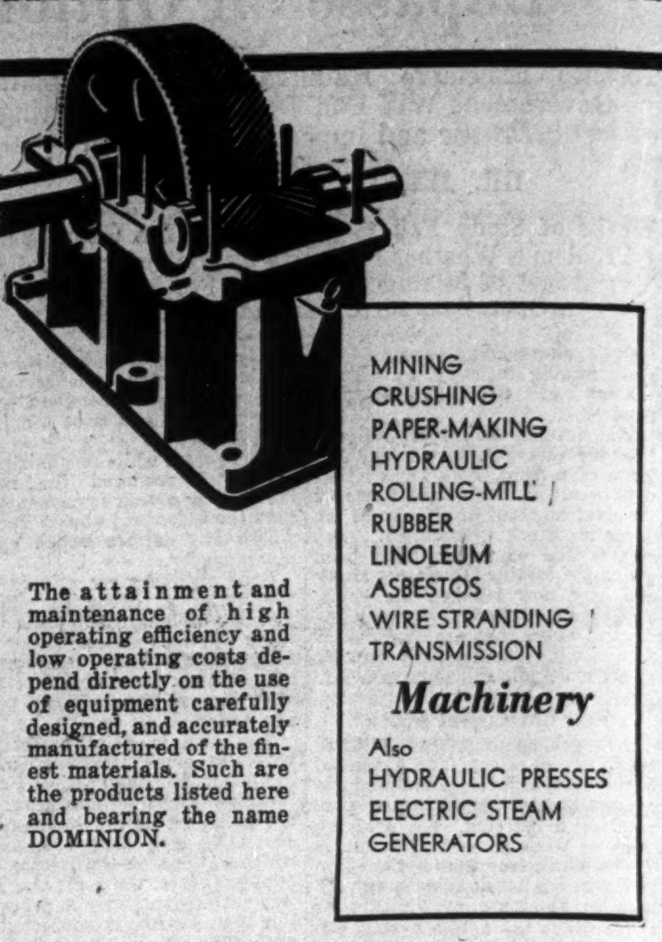
Pacific Eastern Gold has an authorized capitalization of 5,000,000 shares of no par value, of which 3,000,000 shares have been issued. Under the terms of the merger agreement, P. E. Gold Mines received 2,000,000 shares, Dan Tucker, 500,000 and Plutus received 500,000 shares. All these shares were pooled, leaving 2,000,000 treasury shares available for financing.

Officers and directors include Maj. Jas. R. Lowery, pres.; G. C. Hyatt, vice-pres.; Geo. V. Hudson, sec.-treas.; and Gen. Victor Odlum, A. L. Hager, Wm. Macadams, Col. Nelson Spencer, Arthur Noel, and F. R. Macdonald, directors. This board will be increased in the near future, the president has stated.

New Vein Discovered By Golden Spur Mine

Further encouragement is reported from the Golden Spur property near Sturgeon Lake, south of Savant station on the Canadian National Railway in the Thunder Bay mining division of Ontario, with the discovery of a new or No. 2 vein some 200 feet from and parallel to the No. 1 vein on which a shaft is now being sunk. Values are not yet available, but the width is reported to average about 27 inches. On the No. 1 vein the shaft is down 30 feet on the vein which shows a width of 50 inches averaging $6.60 per ton, with gold at normal value. William McDonough, president and moving spirit behind the enterprise, reports that consideration is being given to Diesel engine power to speed up the programme now under way.

A DIVERSIFIED LINE of HIGH GRADE MACHINERY



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$1.00 Par
Issued .... 1,335,000 Shares
(Of which 1,250,000 shares issued for property and pooled)
This Issue .... 250,000 Shares

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Solicitor:
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TECHNICAL STAFF:

Consulting Engineer and Geologist:
A. R. GRAHAM, M.E.
Formerly of Ontario Dept. of Mines, Toronto, Ont.

Field Superintendant
GEO. ABATE
Matheson, Ont.

PROPERTIES

Approximately 400 acres in Beatty Township, Ontario, some nine miles north east from the Town of Matheson, and reached by an excellent motor road from Matheson Station, on the T. & N. O. railroad. Three miles to the East is the famous CROESUS MINE which produced some of the richest ore ever found in Ontario. Present operations at the Croesus are being directed by James Grant, M.E., formerly manager for Wright-Hargreaves. Ample electric power is available. Labor is plentiful and transportation to the property presents no difficulties.

DEVELOPMENT

The main shaft 104 feet deep sunk on No. 1 vein shows widths varying from 38" and yielding high values with free gold being frequently encountered. Extensive and intensive surface operations have been carried on, including systematic test pitting and trenching. This has proven the existence of a mineralized zone some 2,000 feet in width. No. 1 vein has been opened up for a distance of 517 feet where it dips into low ground. The company owns property for a distance of 1 mile west from the eastern boundary direct in line of strike of this and other veins. During the preliminary work numerous test pits were sunk on the most important sections of this zone. One of these pits was carried out for a length of 110 feet and to an average depth of 5 feet and the ore removed was sent to the mill for a test run. It yielded $27.60 per ton average, from 58 tons treated; values computed at $20.67 per ounce. Examining engineers have recommended a campaign of sinking and exploration because the veins show a widening tendency as depth is reached. The highest technical guidance has been sought and engaged in planning the future work. The proceeds of this issue on company estimates will be sufficient to complete the outlined programme of development. There are no bonds, mortgages, or liens. The company owns its property free from encumbrances.

EXTRACTS FROM REPORTS OF JAMES G. FARQUHARSON, M.E.

"From the result of the examination, I believe that under judicious and capable management, your property should be included in the already growing list of gold producers in Ontario." "I consider that you have every reason to congratulate yourself on results obtained as eliminating the one assay on the east end of No. 1 pit, which is practically on the extreme eastern end of your property, there was not drawn one 'blank', a circumstance alone which speaks volumes for the potentialities of your mining holding."

Price: 40 cents Per Share

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